AGENDA

CITY OF PEARLAND ♦ CITY COUNCIL

JULY 11, 2016 6:30 p.m.

MAYOR
Tom Reid

Tony Carbone
Mayor Pro-Tem
Position No. 1

COUNCIL MEMBERS

Derrick Reed
Position No. 2

Gary Moore
Position No. 3

Keith Ordeneaux
Position No. 4

Greg Hill
Position No. 5

Trent Perez
Position No. 6

Jon R. Branson
Deputy City Manager

Trent Epperson
Assistant City Manager

Clay Pearson
City Manager

Darrin Coker
City Attorney

Young Lorfing, TRMC
City Secretary

In accordance with the Texas Open Meeting Act the Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting on the bulletin board located at the front entrance of the City Hall, 3519 Liberty Drive.

CITY COUNCIL AGENDA
CITY OF PEARLAND
REGULAR COUNCIL
MEETING
MONDAY, JULY 11, 2016 6:30 P.M.
COUNCIL CHAMBERS│PEARLAND CITY HALL│3519 LIBERTY
DRIVE 281.652.1600

I. CALL TO ORDER

II. INVOCATION AND THE PLEDGE OF ALLEGIANCE TO THE UNITED STATES OF AMERICA FLAG AND TEXAS FLAG

III. ROLL C A L L : Mayor Reid, Mayor Pro-Tem Carbone, Councilmembers Moore, Reed, Ordeneaux, Hill and Perez.

IV. CITIZEN COMMENTS: In order to hear all citizen comments at a reasonable hour, the City Council requests that speakers respect the three-minute time limit for individual comments and the five-minute time limit for an individual speaking on behalf of a group. This is not a question-answer session, however, it is an opportunity to voice your thoughts with City Council.

PUBLIC HEARING: A docketed Public Hearing in accordance with 24 CFR 91.105 (Citizen Participation) of the Code of Federal Regulations for the City of Pearland's Program Year 2016, Fiscal Year 2017, Community Development Block Grant Program Annual Allocation; providing an opportunity for citizen participation and public involvement.

I. STAFF REVIEW

II. CITIZEN COMMENTS

III. COUNCIL/STAFF DISCUSSION

IV. ADJOURNMENT

V. CONSENT AGENDA:

All items listed under the "Consent Agenda" are considered to be routine and require little or no deliberation by the City Council. These items will be enacted/approved by one motion unless a councilmember requests separate action on an item, in which event the item will be removed from the Consent Agenda and considered by separate action *(VI. matters removed from Consent Agenda).* Approval of the Consent Agenda enacts the items of legislation.

A. Consideration and Possible Action – Approval of Minutes:

1. Minutes of the June 27, 2016, Special Meeting held at 6:00 p.m.
2. Minutes of the June 27, 2016, Regular Meeting held at 6:30 p.m.

B. Consideration and Possible Action – Second and Final Reading of Ordinance No. 1527 – An Ordinance of the City Council of the City of Pearland, Texas, authorizing issuance of City of Pearland, Texas, water and sewer system revenue bonds, series 2016b; prescribing the terms thereof; providing for the payment thereof; awarding the sale thereof; and making other provisions regarding such bonds and matters incident thereto.

C. Consideration and Possible Action – Second and Final Reading of Ordinance No. 1528 – An Ordinance of the City Council of the City of Pearland, Texas, authorizing issuance of City of Pearland, Texas, water and sewer system revenue bonds, series 2016c; prescribing the terms thereof; providing for the payment thereof; awarding the sale thereof; and making other provisions regarding such bonds and matters incident thereto.

D. Consideration and Possible Action – Excuse the absence of Councilmember Gary Moore from the Regular Council Meeting held on June 27, 2016.

E. Consideration and Possible Action – Resolution No. R2016-123 – A Resolution of the City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to enter into an Interlocal Agreement for the cooperative purchase of goods and services with the City of Plano, Texas.

F. Consideration and Possible Action – Resolution No. R2016-102 – A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply contract for auto parts to Napa Auto Parts, Inc., in the estimated amount of $60,000 for the period of July 11, 2016 through July 10, 2017.

G. Consideration and Possible Action – Resolution No. R2016-101 – A Resolution of the City Council of the City of Pearland, Texas, awarding a unit supply contract for auto parts to XL Parts LP, in the estimated amount of $60,000 for the period of July 11, 2016 through July 10, 2017.

H. Consideration and Possible Action – Resolution No. R2016-125 – A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for ditch cleaning services with Donmar Grading, Inc., in the estimated amount of $220,000.00 for the period of August 1, 2016 through July 31, 2017.

I. Consideration and Possible Action – Resolution No. R2016-126 – A Resolution of the City Council of the City of Pearland, Texas, rejecting a bid for the installation of Auto Flushers and Sample Stations, in the estimated amount of $635,770 from K. R. Allen Industrial Services.

J. Consideration and Possible Action – Resolution No. R2016-122 – A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for the purchase of Debris Management Services to Ceres Environmental (Primary Contractor), and CrowderGulf, LLC (Secondary Contractor), for the period of August 1, 2016 to July 31, 2017.

K. **Consideration and Possible Action – Resolution No. R2016-107 –** A Resolution of The City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to participate in an interlocal cooperative pricing arrangement with the Houston-Galveston Area Council (HGAC) for the purchase of post-disaster debris monitoring services from TetraTech, Inc., for the period of June 1, 2016 through May 31, 2019.

VII. NEW BUSINESS:

1. **Consideration and Possible Action –** Election of a Mayor Pro-Tem.

2. **Consideration and Possible Action – First Reading of Ordinance No. 2000M-149 –** An Ordinance of the City Council of the City of Pearland, Texas, **amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas**, for the purpose of changing the classification of certain property being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road. **(Located at 5134 Bailey Road)** Zone Change Application No. ZONE 16-00005, a request of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional (OP) zoning district; on approximately 4.1919 acres of land; providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

3. **Consideration and Possible Action – First Reading of Ordinance No. CUP 16-00004 –** An Ordinance of the City Council of the City of Pearland, Texas, approving a **Conditional Use Permit (CUP) to allow for Child Day Care Center (Business) in the Office & Professional zone**, being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road**. (Located at 5134 Bailey Road.)** Conditional Use Permit Application No CUP 16-00004, within the Office & Professional (OP) zoning district, at the request of Beverly Childs, owner/applicant, containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

4. **Consideration and Possible Action – First Reading of Ordinance No. 1517-1** – An Ordinance of the City Council of the City of Pearland, Texas, amending the 2015 Comprehensive Plan to include the SH 35 Redevelopment Plan and act as a guide for regulating land use within the incorporated limits of Pearland; containing a savings clause, a severability clause and a repealer clause; and providing an effective date.

5. **Consideration and Possible Action – First Reading of Ordinance No. 1518-4 –** An Ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 1518-3, the 2015-2016 Annual Budget Ordinance, by; authorizing the City Manager or his designee to take all actions necessary to facilitate the changes identified herein; providing a savings clause, a severability clause, a repealer clause, and an effective date.

6. **Consideration and Possible Action – Resolution No. R2016-121 –** A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for water meters and related parts with HD Supply Waterworks in the estimated amount of $605,279.28 for the period of June 27, 2016 through June 26, 2017.

7. **Consideration and Possible Action – Resolution No. R2016-112 –** A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for large water meters and related parts to Park Environmental Equipment USA in the estimated amount of $179,240 for the period of June 27, 2016 through June 26, 2017.

8. **Consideration and Possible Action – Resolution No. R2016-120 –** A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for Fire Department Dispatch Services to Cypress Creek EMS, in the estimated amount of $223,400 for the period of December 16, 2016 through December 15, 2017.

9. **Consideration and Possible Action – Resolution No. R2016-114 –** A Resolution of the City Council of the City of Pearland, adopting and implementing a Sustainable Practices Policy for City facilities replacing prior adopted LEED Certification mandates.

10. **Consideration and Possible Action – Resolution No. R2016-128 –** A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for the completion of the Fire Department Standards of Cover and Staff Utilization Study, in the amount of $79,996, to Citygate Associates, LLC.

11. **Consideration and Possible Action – Resolution No. R2016-129 –** A Resolution of the City Council of the City of Pearland, Texas, awarding a bid to the Pearland Journal for the official newspaper of record for publishing City legal notices in the estimated amount of $15,000.00 for the period of July 24, 2016 to July 23, 2017.

12. **Consideration and Possible Action – Resolution No. R2016-127 –** A Resolution of the City Council of the City of Pearland, Texas, authorizing city staff to proceed with acquisition of surveying services for proposed annexation of Areas A, B, C, and G.

13. **Discussion and Possible Action –** Regarding Mowing of Right of Ways.

14. **Consideration and Possible Action – Resolution No. R2016-124 –** A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for landscape maintenance services (medians and right of ways) with Maldonado Nursery and Landscaping, Inc., in the estimated amount of $295,509 for the period of July 20, 2016 through July 19, 2017.

VIII. MAYOR/COUNCIL ISSUES FOR FUTURE CITY COUNCIL AGENDAS

OTHER BUSINESS:

EXECUTIVE SESSION UNDER TEXAS GOVERNMENT CODE

1. **Section 551.087 - Consultation with City Attorney –** Regarding Economic Development Negotiations.

NEW BUSINESS CONTINUED:

15. **Consideration and Possible Action –** Regarding Economic Development Negotiations.

IX. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281.652.1840 prior to the meeting so that appropriate arrangements can be made.

All agenda supporting documents are available at pearlandtx.gov

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	**July 11, 2016**	**ITEM NO.:**	Public Hearing
DATE SUBMITTED:	**July 1, 2016**	**DEPT. OF ORIGIN:**	**Finance**
PREPARED BY:	**Joel Hardy**	**PRESENTOR:**	**Joel Hardy**
REVIEWED BY:	**Jon R. Branson**	**REVIEW DATE:**	**July 1, 2016**

SUBJECT: Public Hearing – A docketed Public Hearing in accordance with 24 CFR 91.105 (Citizen Participation) of the Code of Federal Regulations for the City of Pearland's Program Year 2016, Fiscal Year 2017, Community Development Block Grant Program Annual Allocation; providing an opportunity for citizen participation and public involvement.

EXHIBITS: **July 7 Public Notice – Pearland Journal**
Other Notices and Advertisement
Recommended List of Eligible Projects and Activities

FUNDING:

	☒ **Grant**	☐ **Developer/Other**	☐ **Cash**
☐ **Bonds To Be Sold**	☐ **Bonds- Sold**	☐ **L/P – Sold**	☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED: $325,431 FY2017**
AMOUNT AVAILABLE: $325,431 FY2017 **PROJECT NO.:**
ACCOUNT NO.: Fund 351
ADDITIONAL APPROPRIATION REQUIRED: No
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
☐ **Finance** ☐ **Legal** ☐ **Ordinance** ☐ **Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The City has been allocated $325,431 from U.S. Department of Housing & Urban Development (HUD) – Community Planning and Development (CPD) for the Community Development Block Grant (CDBG) program for FY 2016-2017; CPD Program Year 2016. This is $6,346 more than the current year's allocation amount of $319,085. CDBG funding allocation amounts are formula-based and determining factors include population, income levels, and other demographics.

There are restrictions on the use of HUD CDBG funds, as well as caps on allocations for certain activities. A maximum of 15% of the total annual allocation can be used for social services programs and no more than 20% for planning and administration. The remainder of the allocation can be spent on infrastructure, public facilities, code enforcement and/or housing activities. However, it is not required that budgets meet these caps, only that they not be exceeded in the areas of public services and program administration. There is no cap on the use of funds for facilities, housing or infrastructure improvements, other than the total allocation amount.

On June 27, 2016 at a Regular Meeting of the City Council, governing body officials passed a resolution identifying the eligible, recommended CDBG activities that can be included in the Program Year 2016 (FY 2017) Annual Action Plan, which is to be submitted to HUD by August 15, 2016. Therein, Council approved Resolution R2016-116 for the purpose of solidifying the group of social services, infrastructure/facility improvements, housing rehabilitation activities, and program administration funding needed to meet local priorities and HUD National Objectives that serve low-moderate income families in the City.

The list of approved projects, by category, is inclusive of the following low-moderate income service providers:

Program Category	**Agency/Entity Name**	**Program**	**Funding Amount**	**Type of Expenditure**
Public Services	AcTionS	"Meals on Wheels"	$11,205	Food/Supplies
	Counseling Connections	Mental Health Services	$9,997	Counseling Services
	Pearland Neighborhood Center	Emergency Assistance (Rent/Utilities)	$15,612	Rent and Utility Payments – Evictions and/or Cut-Offs
	Helping Emergency Response Officers & Students (HEROS)	Health and Wellness	$12,000	Instructional
Infrastructure/Facility Improvements	Forgotten Angels	Vocational Facility Construction	$118,150	Construction
Housing & Community Development	City of Pearland – Health Inspections & Code Enforcement	Code Enforcement	$30,000	Personnel
	City of Pearland – Health Inspections & Code Enforcement	Housing Rehabilitation – Repairs	$53,000	Construction
	City of Pearland – Health Inspections & Code Enforcement	Housing Rehabilitation – Program Coordination	$10,381	Personnel
Program Administration	City of Pearland – Finance Department	Program Administration – Management and Oversight	$65,086	Personnel, professional services, supplies and materials, advertising and public notices, postage, and professional development.

Two of the requests for funding Public Services programs in Pearland were recommended for denial:

Program Category	Agency/Entity Name	Program	Funding Amount	Type of Expenditure
Public Services	AcTionS	Congregate Meals	$72,198	Food/Supplies and Personnel
	Standard Bearers Foundation	Summer Program	$57,840	Personnel, materials and supplies, etc…

These two programs were recommended for denial for several reasons:

1. The requests were for monetary support levels much higher than the program allocation allows;
2. The requests were for new programs that involved agencies with limited CDBG or federal grant program management experience; and/or
3. The merits of the other applications and their relationship to local CDBG priorities.

All representatives for the various functions of government, community development and public service activities have been notified directly of the Public Hearing, and may be inclined to provide public comment during the docketed hearing. This will also allow Council to ask additional questions directly to these representatives or the public.

SCHEDULE

The remaining activities that will follow this Public Hearing will take place as follows:

July

- Completion of the City's 10th Annual CDBG Allocation Plan (Annual Action Plan)

August

- August 7th – End of the PY 2016 (FY 2017) Public Comment Period for the 10th Annual Allocation Plan (Annual Action Plan).
- August 8th – Council consideration of a Resolution adopting the City's 10th CDBG Annual Allocation Plan (Annual Action Plan)
- August 15th - Submission Package of COP PY '16 (FY '17) Action Plan to HUD

RECOMMENDED ACTION

Conduct a docketed Public Hearing in accordance with 24 CFR 91.105 (Citizen Participation) of the Code of Federal Regulations for the City of Pearland's Program Year 2016, Fiscal Year 2017, Community Development Block Grant Program Annual Allocation; providing an opportunity for citizen participation and public involvement.

Notice of 2nd Public Hearing
for the
City of Pearland's
Community Development Block Grant Program

City of Pearland will hold a docketed public hearing to give Pearland residents an opportunity to voice opinions on the City's **HUD Community Development Block Grant program**. The City is **developing the CDBG Program Year 2016 Annual Action Plan** to detail exactly how the upcoming year's annual funding allocation will be spent. We would like to hear your comments on program priorities as well as specific activities for PY 2016. The hearing will be held prior to the Regular Meeting of the Pearland City Council, and interested parties are urged to be available at the following time and location, on:

July 11th - 6:00 PM
City Hall
3519 Liberty Drive
Pearland, Texas

Citizens may also send comments on or before August 7, 2016 to the City of Pearland Finance Department at 3519 Liberty Drive, Pearland, TX 77581, via email to Joel Hardy at jhardy@pearlandtx.gov, by telephone to Mr. Hardy at (281) 652-1795, or by fax to (281) 652-1707.

CDBG Program Background

The national objective of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for low and moderate income persons. Not less than 70% of CDBG funds must be used for activities that benefit low and moderate income persons. Pearland's CDBG goals include:

1. Improving the urban environment in low and moderate income areas;
2. Reducing the cost-burdens of low and moderate income families facing evictions and utility shut-offs; and
3. Improving public facilities that serve low and moderate income citizens, particularly those that serve adults with disabilities and other underserved populations.

Eligible activities include but are not limited to: public facility construction and improvements; handicapped accessibility; operational funding for non-profit agencies servicing primarily low income persons; rehabilitation of owner-occupied housing; enforcement of City codes; clearance and demolition; infrastructure improvements; business development and job creation activities.

Fair Housing Issues

The Public Hearing will also be a forum to discuss fair housing and related issues. Residents with suggestions and/or concerns will be provided an opportunity to voice those issues during the public hearing.

Note: In compliance with the Americans with Disabilities Act, this facility is wheelchair accessible and accessible parking spaces are available. Requests for special accommodations or interpretive services must be made at least 48 hours prior to this meeting. Please contact the Finance Department at 281-652-1795 or by FAX 281-652-1707.

City News

CITY HOLDS 2ND PUBLIC HEARING FOR CDBG PROGRAM

Post Date: July 05, 2016 10:33 a.m.

Notice of 2nd Public Hearing for the City of Pearland's Community Development Block Grant Program

City of Pearland will hold a docketed public hearing to give all Pearland residents an opportunity to voice opinions on the City's HUD Community Development Block Grant (CDBG) program. The City is developing the CDBG Program Year 2016 Annual Action Plan to detail exactly how the upcoming year's annual funding allocation will be spent. We would like to hear your comments on program priorities as well as specific activities for PY 2016. The hearing will be held prior to the Regular Meeting of the Pearland City Council, and interested parties are urged to be available at the following time and location, on:

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CDBG Program Background
The national objective of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for low and moderate-income persons. Not less than 70% of CDBG funds must be used for activities that benefit low and moderate-income persons. Pearland's CDBG goals include:
1. Improving the urban environment in low and moderate income areas;
2. Reducing the cost-burdens of low-moderate income families facing evictions and utility shut-offs; and
3. Improving public facilities that serve low-moderate income citizens, particularly those that serve adults with disabilities and other underserved populations.

Eligible activities include but are not limited to: public facility construction and improvements; handicapped accessibility; operational funding for non-profit agencies servicing primarily low income persons; rehabilitation of owner-occupied housing; enforcement of City codes; clearance and demolition; infrastructure improvements; business development and job creation activities.

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CDBG Program Year 2016
Subrecipient Grant Applications - Requests for Funding

Requestor	Purpose	Type of Request	Request	Agency Match	Approved or Denied	Public Services Funding Recommended	Facility/Infrastructure Improvements Funding Recommended	Discussion
Forgotten Angels	Skills Development Facility	Facility (no cap)	$ 118,150.00	$ 72,760.00	Y	$ -	$ 118,150.00	Currently, there is no "brick and mortar" in place for vocational training and development for high-functioning mentally-disabled adults.
AcTionS, Inc.	"Congregate Meals" Program	Public Services (cap)	$ 38,260.00	$ 38,260.00	N	$ -	$ -	The proposed budget is heavily comprised of administrative costs and non-programmatic expenditures. Food and food preparation/delivery are the key eligible costs, but the request has ineligible administrative costs per 24 CFR 570.201(e).
AcTionS, Inc.	"Meals on Wheels" Program	Public Services (cap)	$ 11,205.00	$ -	Y	$ 11,205.00	$ -	The recommendation is to support the costs of food. This budget could be adjusted to include the proposed costs of the driver and homebound food coordinator (ttl additional $2,173).
Counseling Connections	Counseling Services - Low-Income	Public Services (cap)	$ 9,997.00	$ -	Y	$ 9,997.00	$ -	Pearland has a growing need for supportive counseling and mental health services for low-moderate income households. This is an important request that will fill a need that is largely unmet in the community.
Standards Bearers Foundation	Summer Literacy Program	Public Services (cap)	$ 57,840.00	$ 9,250.00	N	$ -	$ -	Based on the requested amount, and the review of the latest financial statements provided by the applicant, it is difficult to see how the solvency levels presented would support the required monthly allocation of $22,363 to operate the program in a reimbursement grant scenario.
Pearland Neighborhood Center	Emergency Utility/Rent Assistance	Public Services (cap)	$ 25,000.00	$ -	Y	$ 15,612.00	$ -	In order to expand and diversify the City's CDBG offerings, existing programs may require reductions in funding. This reduces this agency's current allocation by a mere 5% or so. YTD expenses for PNC are currently at $5,800 through fiscal year 2016 period 8.
Helping Emergency Response Officers and Students (HEROS)	Youth Fitness and Health	Public Services (cap)	$ 12,000.00	$ -	Y	$ 12,000.00	$ -	Staff is interested in workinig with this program provider to facilitate more community policing opportunities involving youth and local police officers. There is an opportunity to utilize health and wellness as a "carrot" to facilitate community relations activities between "kids and cops."

Requested	Proposed Match	% Number of Requests Funded	Funding Recommendation Public Services	Funding Recommendation Facility/Infrastructure Improvements	Total Applications Funded	% Amount of Requests Funded
$ 272,452.00	**$ 120,270.00**	**71.43%**	**$ 48,814.00**	**$ 118,150.00**	**$ 166,964.00**	**61.28%**

MINUTES OF A SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, HELD ON MONDAY, JUNE 27, 2016, AT 6:00 P.M. IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

Mayor Reid called the meeting to order at 6:00 p.m. with the following present:

Mayor	Tom Reid
Mayor Pro-Tem	Tony Carbone
Councilmember	Derrick Reed
Councilmember	Keith Ordeneaux
Councilmember	Greg Hill
City Attorney	Darrin Coker
City Secretary	Young Lorfing

Absent: Councilmember Gary Moore.

Others in attendance: Jon Branson Deputy City Manager; J.C. Doyle Police Chief; Michelle Graham Director of Human Resource; Lata Krishnarao Director of Community Development; Chris Orlea Director of Parks & Recreation; Sue Polka Director of Engineering; Vance Riley Fire Chief; Eric Wilson Public Works Director; Sparkle Anderson Communications Director; Joel Hardy Grants Coordinator; Skipper Jones Assistant Director of Capital Projects; John McCarter Management Assistant; Daniel McGhinnis Chief Information Officer; Lawrence Provins Deputy City Attorney; Letitia Farnie Municipal Court Judge.

Purpose of the Meeting:

Council Action – Resolution No. R2016-113 – A Resolution and Order of the City Council of the City Of Pearland, Texas, canvassing the returns and declaring the results of the General Runoff Election held in the City of Pearland, Texas, on June 18, 2016.

Councilmember Hill made the motion, seconded by Mayor Pro-Tem Carbone, to approve Resolution No. R2016-113.

Voting “Aye” Councilmembers Hill, Ordeneauz, Carbone, and Reed.

Voting “No” None.

Motion Passed 4 to 0, with Councilmember Moore absent.

WHEREAS, there was held in the City of Pearland, Texas, on the 18th day of June, 2016, a City General Runoff Election at which the office to be filled for Member of Council, Position Number Six (6) was submitted to a vote of the duly qualified resident electors of said City.

WHEREAS, at this Special Meeting of the City Council of the City of Pearland, on June 27, 2016, after date of said election, being held for the purpose of canvassing the now therefore,

BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

SECTION I.

That the election described was duly called and notice thereof given in accordance with law; that said election was held in the manner required by law; that due returns of said election have been made by the proper officers; and it appeared from said return, duly and legally made, that there were cast at such election 2,387 valid and legal votes; and that said election resulted in the following vote totals:

FOR MEMBER OF THE COUNCIL, POSITION NUMBER SIX (6)

NAME OF CANDIDATE	NUMBER OF VOTES RECEIVED	PERCENTAGE
Trent A. Perez	1,324	55.58%
Monica Russo	1,058	44.42%

SECTION II.

The City Council of the City of Pearland, Texas, hereby officially and affirmatively declares that the results as shown above are the real and true results of the election held on June 18, 2016, within the City of Pearland, Texas. The candidate elected to serve as **Member of the Council, Position Number Six (6)** is **Trent A. Perez** said person is hereby declared duly elected to said respective office, subject to taking Oath of Office and Statement of Elected Officers as provided by the laws of the State of Texas.

Mayor's issuance of Certificate of Election to Trent A. Perez Councilmember Position Number Six (6).

Administration of Oath of Office by Judge Letitia Farnie to Trent A. Perez Councilmember Position Number Six (6).

Adjournment:

Meeting was adjourned at 6:15 p.m.

Minutes approved as submitted and/or corrected this the ____ day of _____, A.D., 2016.

_____
Tom Reid
Mayor

ATTEST:

_____
Young Lorfing, TRMC
City Secretary

MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, HELD ON MONDAY, JUNE 27, 2016, AT 6:30 P.M., IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

Mayor Reid called the meeting to order at 6:35 p.m. with the following present:

Mayor	Tom Reid
Mayor Pro-Tem	Tony Carbone
Councilmember	Derrick Reed
Councilmember	Keith Ordeneaux
Councilmember	Greg Hill
Councilmember	Trent Perez
City Manager	Clay Pearson
City Attorney	Darrin Coker
City Secretary	Young Lorfing

Absent: Councilmember Gary Moore.

Others in attendance: Jon Branson Deputy City Manager; J.C. Doyle Police Chief; Michelle Graham Director of Human Resource; Lata Krishnarao Director of Community Development; Chris Orlea Director of Parks and Recreation; Cynthia Pearson Director of Finance; Sue Polka Director of Engineering; Vance Riley Fire Chief; Eric Wilson Public Works Director; Sparkle Anderson Communications Director; Joel Hardy Grants Coordinator; Skipper Jones Assistant Director of Capital Projects; John McCarter Management Assistant; Daniel McGhinnis Chief Information Officer; Lawrence Provins Deputy City Attorney; Letitia Farnie Municipal Court Judge.

The invocation was given by State Representative Ed Thompson and the Pledge of Allegiance was led by Chief of Police J.C Doyle.

ROLL CALL: Mayor Reid, Mayor Pro-Tem Carbone, Councilmembers Reed, Ordeneaux, Hill, and Perez.

CITIZEN COMMENTS:

Carol Artz-Bucek President of the Pearland Chamber of Commerce, 6117 Broadway, introduced Melissa Washington a new staff member with the Chamber of Commerce.

Melissa Washington thanked everyone for making her feel welcome and she is looking forward to working with the City.

Quentin Wiltz, 4105 Summer Lane, thanked Council for all the good work they are doing. He stated his concerns regarding voter participation in every election. He further stated he would like to offer his assistance to help any department, Councilmember or group organization regarding getting more voter participation.

PUBLIC HEARING: None**.**

CONSENT AGENDA:

A. Consideration and Possible Action – Approval of Minutes:

1. Minutes of the June 13, 2016, Regular Meeting held at 6:30 p.m.

B. Consideration and Possible Action – Second and Final Reading of Ordinance No. 2000M-147 - An Ordinance of the City Council of the City of Pearland, Texas, **amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas**, for the purpose of changing the classification of certain property being 2.0885 acres of land, Lot One (1), Section Twenty-four (24) in the H.T. & B.R.R. Survey, Abstract No. 549, Brazoria County, Texas, described in recorded deed Volume 923, Page 175, Brazoria County Instrument No. 2012055307, Brazoria County, Texas. **(7006 Bailey Road, Pearland, TX.)** Zone Change Application No. ZONE 16-00001, A request of Somarajan Nair, applicant; on behalf of Texas Global Investment, owner; for approval of a change in zoning from the Suburban Development (SD) zoning district to a General Business (GB) zoning district; on approximately 2.0885 acres of land; providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

C. Consideration and Possible Action – Resolution No. R2016-117 – A Resolution of the City Council of the City of Pearland, Texas authorizing the City's participation in the Edward Byrne Memorial Justice Assistance Formula Grant (JAG) Program to purchase nine (9) Body-Worn Surveillance Cameras in the amount of $11,670 – FY 2016-17.

D. Consideration and Possible Action – Resolution No. R2016-119 – A Resolution of the City Council of the City of Pearland, Texas, renewing a bid for the purchase of Fire Department medical supplies to Bound Tree Medical, LLC, in the estimated amount of $50,000 for the period of June 26, 2016 through June 25, 2017.

E. Consideration and Possible Action – Resolution No. R2016-118 – A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for the purchase of Fire Department medical supplies to Life Assist, Inc., in the estimated amount of $50,000 for the period of June 26, 2016 through June 27, 2017.

F. Consideration and Possible Action – Excuse the absence of Councilmember Tony Carbone from the Regular Council Meeting held on June 13, 2016.

G. Consideration and Possible Action – Resolution No. R2016-108 – A Resolution of the City Council of the City of Pearland, Texas, authorizing the subordination of rights in a water/sewer easement to CenterPoint Energy Houston Electric, LLC, for underground electric lines to serve the Lower Kirby vicinity.

Councilmember Perez asked that Consent Agenda Item G be removed from the Consent Agenda for further discussion.

Councilmember Reed made the motion, seconded by Mayor Pro-Tem Carbone, to adopt Consent Agenda Items A through G with the exception of Item G as presented on the Consent Agenda.

Voting "Aye" Councilmembers Reed, Carbone, Ordeneaux, Hill, and Perez.

Voting "No" None.

Motion Passed 5 to 0, with Councilmember Moore absent.

MATTERS REMOVED FROM CONSENT AGENDA

As requested by Councilmember Perez Consent Agenda Item G was removed for further discussion.

G. Consideration and Possible Action – Resolution No. R2016-108 – A Resolution of the City Council of the City of Pearland, Texas, authorizing the subordination of rights in a water/sewer easement to CenterPoint Energy Houston Electric, LLC, for underground electric lines to serve the Lower Kirby vicinity.

Councilmember Reed made a motion, seconded by Mayor Pro-Tem Carbone, to approve Resolution No. R2016-108.

President of Pearland Economic Development Corporation Matt Buchanan reported the development of infrastructure to support the Lower Kirby District Masterplan is a priority of our Pearland 20/20 Community Strategic Plan. We continue to work on the phased extension of underground electric utilities along Kirby Drive which is located in a planned development zoning district that requires all utilities to be located underground to ensure the continued high quality development in the area.

Discussion ensued between Councilmember Perez and President of Pearland Economic Development Corporation Matt Buchanan regarding a better understanding of where the electric utilities are being located in the easement.

Voting "Aye" Councilmembers Perez, Hill, Ordeneaux, Carbone, and Reed.

Voting "No" None.

Motion Passed 5 to 0, with Councilmember Moore absent.

NEW BUSINESS:

First Reading of Ordinance No. 1527 – An Ordinance Authorizing Issuance of City Of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2016b; Prescribing the terms Thereof; providing for the payment thereof; awarding the sale thereof; making other provisions regarding such bonds and matters incident thereto.

Mayor Pro-Tem Carbone made the motion, seconded by Councilmember Reed, to approve Ordinance No. 1527 on its First Reading.

BOSC, Inc. Financial Advisor John Robuck gave an overview of the Water and Sewer Revenue Bonds, Series 2016b.

Discussion ensued between Council and BOSC, Inc. Financial Advisor John Robuck regarding getting to this point it has taken over a hundred hours of deliberation and discussions with the Texas Water Development Board. The debt to debt ratio, financing options and how they compare to the City's bond ratings

Voting "Aye" Councilmembers Perez, Hill, Ordeneaux, Carbone, and Reed.

Voting "No" None.

Motion Passed 5 to 0, with Councilmember Moore absent.

First Reading of Ordinance No. 1528 – An Ordinance Authorizing Issuance of City Of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2016c; Prescribing the terms thereof; Providing for the payment thereof; awarding the sale thereof; making other provisions regarding such bonds and matters incident thereto.

Councilmember Ordeneaux made the motion, seconded by Mayor Pro-Tem Carbone, to approve Ordinance No. 1528 on its First Reading.

City Manager Clay Pearson reported the bonds are structured with a 30-year level principal maturity for fiscal year 2017 annual principal payment is estimated at $1,860,000. Council is being asked for consideration and approval of Ordinance No. 1528.

Discussion ensued between Council and Public Works Director Eric Wilson regarding the plant expansion, growth, service area and construction cost.

Voting "Aye" Councilmembers Reed, Carbone, Ordeneaux, Hill, and Perez.

Voting "No" None.

Motion Passed 5 to 0, with Councilmember Moore absent.

Council Action – Resolution No. R2016-110 – A Resolution of the City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to enter into a contract with Lockwood, Andrews & Newnam, Inc., in an amount not to exceed $400,037, for engineering services associated with the Southeast Quadrant of Old Townsite Drainage Improvements; and authorizing the appropriation of $175,000 from the Fund 506 fund balance.

Councilmember Hill made the motion, seconded by Councilmember Ordeneaux, to approve Resolution No. R2016-110.

City Manager Clay Pearson reported Council is being asked for approval of the appropriation of the necessary additional funds in the amount of $175,000 from the fund balance in Fund 506 and approve the request to enter into a professional services agreement with Lockwood, Andrews & Newnam, Inc. in the amount of $400,037 for professional services for Southeast Quadrant of Old Townsite Drainage Improvement Project.

Discussion ensued between Councilmember Perez, City Engineer Sue Polka and Lockwood, Andrews & Newnam, Inc. Consultant regarding the design to clearly illustrate a one hundred year connivance.

Discussion ensued between Mayor Pro-Tem Carbone and Deputy City Manager Jon Branson regarding Fund 506 is the Water and Sewer Fund.

Voting "Aye" Councilmembers Perez, Hill, Ordeneaux, Carbone, and Reed.

Voting "No" None.

Motion Passed 5 to 0, with Councilmember Moore absent.

Council Action – Resolution No. R2016-109 – A Resolution of the City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to enter into a Master Services Agreement with Ardurra Group LLC, in an amount not to exceed $376,134, for Owner's Representative Services associated with the Surface Water Plant; and authorizing the appropriation of $300,000 from the Fund 550 fund balance.

Councilmember Perez made the motion, seconded by Councilmember Hill, to approve Resolution No. R2016-109.

City Manager Clay Pearson reported Council is being asked to approve a Master Services Agreement with Ardurra Group LLC, in an amount not to exceed $376,134, for Owner's Representative Services associated with the Surface Water Plant, and authorizing the appropriation of $300,000 from the Fund 550 fund balance.

Discussion ensued between Councilmember Perez and Public Works Director Eric Wilson regarding the first phase will be ten million gallons of water and will be expanded in 2029 up to 2032 will be putting out up to twenty million gallons of water as the City approaches the City's build out water mains.

Voting “Aye” Councilmembers Reed, Carbone, Ordeneaux, Hill, and Perez.

Voting “No” None.

Motion Passed 5 to 0, with Councilmember Moore absent.

Council Action – Resolution No. R2016-97 – A Resolution of the City Council of the City of Pearland, Texas, awarding a lease/purchase bid for the purchase of a ladder truck and exercise/weight room equipment with J.P. Morgan, Bank, N.A., in the amount of $1,169,843.18 at a 1.721 percent interest rate with a seven (7) year declining amortization schedule.

Councilmember Reed made the motion, seconded by Councilmember Carbone, to approve Resolution No. R2016-97.

City Manager Clay Pearson reported Council is being asked to award a lease/purchase bid for the purchase of a ladder truck and exercise/weight room equipment with J.P. Morgan, Bank, N.A., in the amount of $1,169,834.18 at a 1.721 percent interest rate with a seven (7) year declining amortization schedule.

Discussion ensued between Councilmember Hill and City Manager Clay Pearson regarding the lifespan of the exercise/weight room equipment.

Voting “Aye” Councilmembers Perez, Hill, Ordeneaux, Carbone, and Reed.

Voting “No” None.

Motion Passed 5 to 0, with Councilmember Moore absent.

Council Action – Resolution No. R2016-111 – A Resolution of the City Council of the City of Pearland, Texas, awarding a contract for the construction of an additional Bar Screen at the John Hargrove Water Reclamation Facility to C3 Constructors in the amount of $ 346,299.00.

Mayor Pro-Tem Carbone made the motion, seconded by Councilmember Reed, to approve Resolution No. R2016-111.

City Manager Clay Pearson reported during the last expansion of the John Hargrove Water Reclamation Facility the head works and filter basins were built with the intent to add extra equipment as needed. Due to the growth in the surrounding area it was necessary to add an extra Filter and Bar Screen in the CIP for FY2014. The extra Filter has already been installed and is in service. The Filter was a sole source and did not require bids.

Voting “Aye” Councilmembers Reed, Carbone, Ordeneaux, Hill, and Perez.

Voting “No” None.

Motion Passed 5 to 0, with Councilmember Moore absent.

Council Action – Resolution No. R2016-115 – A Resolution of the City Council of the City of Pearland, Texas, renewing a unit price bid for water treatment chemicals and water analysis services with Napco Chemical Company, in the estimated amount of $700,000.00, for the period of July 9, 2016 to July 8, 2017.

Councilmember Ordeneaux made the motion, seconded by Councilmember Carbone, to approve Resolution No. R2016-115.

City Manager Clay Pearson reported Council is being asked for approval to renew a unit price bid for water treatment chemicals and water analysis services with Napco Chemical Company, in the estimated amount of $700,000 for the period of July 9, 2016 to July 8, 2017.

Voting "Aye" Councilmembers Perez, Hill, Ordeneaux, Carbone, and Reed.

Voting "No" None.

Motion Passed 5 to 0, with Councilmember Moore absent.

Council Action – Resolution No. R2016-116 – A Resolution of the City Council of the City of Pearland, Texas, identifying eligible projects for the U.S. Department of Housing and Urban Development Community Development Block Grant Program - Program Year 2016, Fiscal Year 2017.

Councilmember Hill made the motion, seconded by Mayor Pro-Tem Carbone, to approve Resolution No. R2016-116.

Grants Coordinator Joel Hardy gave an overview of the new types of programs being considered for funding, as the request to Council is to approve the uses of the block grant funding in 2017.

Discussion ensued between Councilmember Hill and Grants Coordinator Joel Hardy regarding private donations and mental health services.

Mayor Pro-Tem Carbone stated there is a lack of mental health services, he is excited to see funding for the Forgotten Angels and mental health services.

Councilmember Perez stated he appreciates the work Joel Hardy is doing, and asked for clarification regarding the administrative cost.

Voting "Aye" Councilmembers Perez, Hill, Ordeneaux, Carbone, and Reed.

Voting "No" None.

Motion Passed 5 to 0, with Councilmember Moore absent.

Council Action – Resolution No. R2016-92 – A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for the completion of the Compensation and Classification Study in the amount of $49,840.00 to Management Advisory Group International, Inc.

Councilmember Perez made the motion, seconded by Mayor Pro-Tem Carbone, to approve Resolution No. R2016-92.

Human Resource Director Michelle Graham gave an overview of the proposed Compensation and Classification Study.

Discussion ensued between Councilmember Hill and Management Advisory Group International, Inc. Associate Vice President David Lookingbill regarding different cross studies.

Discussion ensued between Councilmember Perez and Management Advisory Group International, Inc. Associate Vice President David Lookingbill regarding looking at public and private sector salaries.

Councilmember Ordeneaux stated he works for a public sector and he knows he can go to the private sector doing the same job and get paid more. He further stated he does not go to the private sector because of job security and benefits. He stated he would love to pay government employees a private sector salary, but he does not know how the City would be able to do that.

Discussion ensued between Councilmember Reed and City Manager Clay Pearson regarding spending $49,840. for a Compensation and Classification Study is the best use of the funds when there are streets and sidewalks in need of repair.

Discussion ensued between Mayor Pro-Tem Carbone, City Manager Clay Pearson and Human Resource Director Michelle Graham regarding the Compensation and Classification Study will look at all part time and full time positions, how they are classified, and are they on the pay-plan.

Mayor Pro-Tem Carbone stated the hesitation he has is the Consultant will state what staff told him to state. He stated he understands the Consultant has to work with staff, but the City is hiring the Consultants for their opinions and expertise and that is what he wants to see.

Discussion ensued between Mayor Pro-Tem Carbone, Human Resource Director Michelle Graham and City Manager Clay Pearson regarding how this will relate to the upcoming budget cycle.

Discussion ensued between Councilmember Reed and Human Resource Director Michelle Graham regarding this study is only Compensation and Classification for existing positions with the City.

Voting “Aye” Councilmembers Reed, Carbone, Ordeneaux, Hill, and Perez.

Voting “No” None.

Motion Passed 5 to 0, with Councilmember Moore absent.

MAYOR/COUNCIL ISSUES FOR FUTURE CITY COUNCIL AGENDAS:

Mayor Reid stated he would like to see visible address numbers on all businesses in Pearland.

OTHER BUSINESS:

ADJOURNMENT

Meeting was adjourned at 8:00 p.m.

Minutes approved as submitted and/or corrected this the _____day of_____, A.D., 2016.

_____
Tom Reid
Mayor

ATTEST:

_____
Young Lorfing, TRMC
City Secretary

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	Ordinance No. 1527
DATE SUBMITTED:	July 1, 2016	**DEPT. OF ORIGIN:**	Finance
PREPARED BY:	Cynthia Pearson	**PRESENTOR:**	John Robuck
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: **Ordinance No. 1527 - An Ordinance of the City Council of the City of Pearland, Texas, authorizing issuance of City of Pearland, Texas, water and sewer system revenue bonds, series 2016b; prescribing the terms thereof; providing for the payment thereof; awarding the sale thereof; and making other provisions regarding such bonds and matters incident thereto.**.

EXHIBITS:
Ordinance 1527
Private Placement Memorandum
PowerPoint Presentation – BOSC, Inc.
Timetable
Final Numbers
Tax Rate Impact

FUNDING:

	☐ **Grant**	☐ **Developer/Other**	☐ **Cash**
☒ **Bonds To Be Sold**	☐ **Bonds- Sold**	☐ **L/P – Sold**	☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: **AMOUNT BUDGETED:**
AMOUNT AVAILABLE: **PROJECT NO.:**
ACCOUNT NO.:

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

In January 2015, City Council authorized the appropriation of $11,000,000 for the construction of the Reflection Bay Water Reclamation Package Plant from future Water and Sewer System Revenue Bond proceeds. In an effort to be fiscally responsible, the city pursued a loan with the Texas Water Development Board for Clean Water State Revolving Fund (CWSRF) assistance to take advantage of the opportunity to obtain lower interest rates. The actual amount of the bond sale is $11,100,000.

The Reflection Bay Package Plant is a design/ build project consisting of the design and construction of a temporary 1 million gallon per day (MGD) package treatment plant to be installed and connected into the influent treatment system at the existing Reflection Bay Water Reclamation Facility. The package plant will supplement the existing 2 MGD plant for a total of 3 MGD of treatment capacity. The package plant consists of a flow splitter box, 16 aeration basins, four clarifiers, RAS/WAS basin (return activated and wasted activated sludge basins), blowers pumps, and filter modules and will provide supplemental treatment capacity for the timeframe that the main facility expansion is being constructed, from July 2016 to July 2018, at which time 4 MGD of treatment capacity will be complete and can remain in service if needed until the rehabilitation of the existing 2 MGD facility in April 2019. The package plant can then be relocated and used at another facility.

Work began on the project in early 2015, and City Council approved a notice of intent to be reimbursed from future bond proceeds in November 2015; Resolution R2015-196. The construction of the package plant was completed this month. Upon closing, the costs associated with the plant will be submitted for re-imbursement, as allowed by the CWSRF loan program.

Package Plant Project Schedule

Design-Build Council Award	January 2015
Phase 1 0.5 MGD Operational	January 6, 2016
Phase 2 1 MGD Operational	June 6, 2016

BID AND AWARD

This is the second reading of the Ordinance. The first reading was June 27, 2016, and we will close on July 28th.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE

The bonds are structured with a 10-year principal maturity, with a fiscal year 2017 annual principal payment estimated at $1,235,000.

RECOMMENDED ACTION

Consideration and Approval of Ordinance 1527 – An Ordinance Authorizing the Issuance of City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2016B; Prescribing the Terms Thereof; Providing for the Payment Thereof; Awarding the Sale Thereof; and Making Other Provisions Regarding Such Bonds and Matters Incident Thereto.

CITY OF PEARLAND, TEXAS

WATER AND SEWER SYSTEM REVENUE BONDS
SERIES 2016B

ORDINANCE NO. 2016-1527

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ORDINANCE NO. 1527

An Ordinance of the City Council of the City of Pearland, Texas, authorizing issuance of City of Pearland, Texas, water and sewer system revenue bonds, series 2016b; prescribing the terms thereof; providing for the payment thereof; awarding the sale thereof; and making other provisions regarding such bonds and matters incident thereto.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

ARTICLE I
FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. It is hereby officially found and determined that:

(a) The City is authorized by Chapter 1502, Texas Government Code, as amended, to issue revenue bonds payable from the revenues of its water and sewer system for the purpose of constructing repairs, improvements, additions and extensions to the City's waterworks and sanitary sewer system.

(b) The City Council now deems it to be in the best interest of the City to issue, sell and deliver the Series 2016B Bonds (hereinafter defined) as hereinafter authorized, pursuant to the laws of the State of Texas, including specifically, Chapter 1502, Texas Government Code.

(c) The conditions precedent to the issuance of additional bonds which are contained in the ordinances authorizing the issuance of the Previously Issued Bonds and the Series 2016B Bonds (hereinafter defined) have been met, and the City is authorized to issue the revenue bonds and make the pledges and covenants set forth herein.

(d) The Series 2016B Bonds herein authorized for issuance are to be delivered to the Texas Water Development Board (the "TWDB" or the "Purchaser") in evidence of a loan commitment received in the aggregate amount of the Series 2016B Bonds.

ARTICLE II
DEFINITIONS AND INTERPRETATIONS

Section 2.1. Definitions. In this Ordinance, the following terms shall have the following meanings, unless the context clearly indicates otherwise:

"Act" shall mean, collectively Chapter 1502, Texas Government Code, as amended.

"Additional Bonds" shall mean the additional revenue bonds permitted to be issued by the City pursuant to Section 6.1 hereof.

"*Average Annual Principal and Interest Requirements*" shall mean the average annual principal and interest requirements for all Bonds. Upon the issuance of the Series 2016B Bonds, the Average Annual Principal and Interest Requirements are hereby determined to be $7,589,654.75 and shall be recomputed upon the issuance of each series of Additional Bonds and set forth in each ordinance authorizing the issuance of Additional Bonds. For purposes of calculating the Average Annual Principal and Interest Requirements with respect to any variable rate Additional Bonds, interest on such bonds shall be calculated in accordance with Section 6.1 of this Ordinance.

"*Bonds*" shall mean any or all of the Previously Issued Bonds, the Series 2016B Bonds and any Additional Bonds from time to time hereafter issued, but only to the extent such Bonds remain Outstanding within the meaning of this Ordinance.

"*Business Day*" shall mean any day other than (1) a Saturday or a Sunday, (2) a legal holiday or the equivalent on which banking institutions generally are authorized or required to close in New York, New York or Houston, Texas or any other city in which is located the principal corporate trust office of the Paying Agent/Registrar or (3) a day on which the New York Stock Exchange is closed in whole or in part.

"*City*" shall mean the City of Pearland, Texas, and, where appropriate, the City Council thereof and any successor to the City as owner of the System.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended.

"*Defeasance Securities*" means (1) direct, non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (2) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (3) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

"*DTC*" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

"*DTC Participant*" shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"*Fiscal Year*" shall mean the City's fiscal year, which currently runs from October 1 to September 30, but which may be changed from time to time by the City.

"*Gross Revenues*" shall mean all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System; the interest income

from the investment or deposit of money in the Revenue Fund and the Reserve Fund (each hereinafter defined in Article V hereof); and any other revenues hereafter pledged to the payment of all Bonds. Gross Revenues shall not include any of (i) grants from, or payments by, any federal, state or local governmental agency or authority or any other entity or person, the use of which is restricted by law or by the terms of the grant or payment to capital expenditures of the System, (ii) capital assets, debt service funds or debt service reserve funds of water districts or other public or private sewer systems annexed, acquired or otherwise assumed by the City or (iii) any interest earned on items (i) or (ii) above.

"*Interest Payment Date,*" when used in connection with any Series 2016B Bond, shall mean September 1 or March 1 of each year as applicable commencing March 1, 2017.

"*Maintenance and Operation Expenses*" shall mean the reasonable and necessary expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the governing body of the City, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or conditions which would otherwise impair the Bonds), and all payments (including payments of amounts equal to all or a part of the debt service on bonds issued by other political subdivisions and authorities of the State of Texas) under contracts which are now or hereafter defined as operating expenses by the Legislature of Texas. Depreciation shall never be considered as a Maintenance and Operation Expense. Maintenance and Operation Expenses shall include, without limitation, all payments under contracts for the impoundment, conveyance or treatment of water or otherwise which are now or hereafter defined as operating expenses by the Legislature of Texas and the treatment of such payments as Maintenance and Operation Expenses shall not be affected in any way if, subsequent to entering into such contracts, the City acquires as a part of the System title to any properties or facilities used to impound, convey or treat water under such contracts, or if the City contracts to acquire title to such properties or facilities as a part of the System upon the final payment of debt service on the bonds issued to finance such properties or facilities.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Net Revenues*" shall mean all Gross Revenues remaining after deducting the Maintenance and Operation Expenses.

"*Ordinance*" shall mean this Bond Ordinance and all amendments hereof and supplements hereto.

"*Outstanding*" when used with reference to the Bonds shall mean, as of a particular date, all such bonds theretofore delivered except: (a) any such bond canceled by or on behalf of the City at or before said date; (b) any such bond defeased pursuant to the defeasance provisions of the ordinance authorizing its issuance, or otherwise defeased as permitted by applicable law; and (c) any such bond in lieu of or in substitution for which another bond shall have been delivered pursuant to the ordinance authorizing the issuance of such bond.

"Owner" or *"Registered Owner"* when used with respect to any Bond, shall mean the person or entity in whose name such Bond is registered in the Register. Any reference to a particular percentage or proportion of the Owners of the Bonds of a particular class or series of Bonds shall mean the Owners at a particular time of the specified percentage or proportion in aggregate principal amount of all Bonds or the Bonds of such class or series then Outstanding.

"Paying Agent/Registrar" shall mean Wells Fargo Bank, N.A., Minneapolis, Minnesota, and its successors in that capacity.

"Previously Issued Bonds" shall mean the Outstanding City of Pearland, Texas, Water and Sewer System Adjustable Rate Revenue Bonds, Series 1999, City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2003, the City of Pearland, Texas, Water and Sewer System Revenue and Refunding Bonds, Series 2006, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2007, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2008, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2009, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2010A, the City of Pearland, Texas, Water and Sewer System Revenue Refunding Bonds, Series 2010B, the City of Pearland, Texas Water and Sewer System Revenue and Refunding Bonds, Series 2012, the City of Pearland, Texas Water and Sewer System Revenue Bonds, Series 2014 and the City of Pearland, Texas Water and Sewer System Revenue Bonds, Series 2016A.

"Purchaser" shall mean the Texas Water Development Board.

"Record Date" shall mean, with respect to any Interest Payment Date, the fifteenth day of the month, whether or not a Business Day, next preceding each Interest Payment Date.

"Register" shall mean the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner of Series 2016B Bonds.

"Series 2016B Bonds" shall mean the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2016B, authorized by this Ordinance.

"Special Project" shall mean, to the extent permitted by law, any water or sewer system property, improvement or facility declared by the City not to be part of the System, for which the costs of acquisition, construction, and installation are paid from proceeds of a financing transaction other than the issuance of bonds payable from ad valorem taxes or revenues of the System and for which all maintenance and operation expenses are payable from sources other than ad valorem taxes or revenues of the System, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction, and installation under such financing transaction.

"Subordinate Lien Obligations" shall mean the obligations permitted to be issued by the City pursuant to Section 6.2 hereof.

"System" shall mean all properties, facilities, improvements, equipment, interests, rights and powers constituting the water and sewer system of the City, and all future extensions, replacements, betterments, additions, improvements, enlargements, acquisitions, purchases and repairs to the System, including without limitation, all those heretofore or hereafter acquired as a result of the annexation and dissolution of water districts or the acquisition of the properties or assets of any other public, private or non-profit entities. The System shall not include any Special Project.

Section 2.2. Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance and the Table of Contents of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Series 2016B Bonds and the validity of the lien on and pledge of the Net Revenues to secure the payment of the Series 2016B Bonds.

ARTICLE III
TERMS OF THE SERIES 2016B BONDS

Section 3.1. Name, Amount, Purpose, Authorization. The City of Pearland, Texas Water and Sewer System Revenue Bonds, Series 2016B shall be issued in fully registered form, without coupons, in the aggregate principal amount of Eleven Million One Hundred Thousand Dollars ($11,100,000) for the purposes of (i) constructing certain repairs, improvements, additions and extensions to the System, and (ii) payment of expenses of issuance of the Series 2016B Bonds, all under and pursuant to the authority of the Act and all other applicable law.

Section 3.2. Numbers, Date and Denomination. The Series 2016B Bonds shall be initially issued bearing the numbers, in the principal amounts and bearing interest at the rates set forth in Section 3.3 hereof. The Series 2016B Bonds shall be dated as of July 28, 2016, and shall be issued in denominations of $5,000 of principal amount or any integral multiple thereof.

Section 3.3. Interest Payment Dates, Interest Rates and Maturities. The Series 2016B Bonds shall bear interest from the later of the date of delivery of the Series 2016B Bonds to the Purchaser, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate or rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months and payable semiannually on March 1 and September 1 of each year, commencing March 1, 2017, until maturity or prior redemption.

The Series 2016B Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption as set forth in this Ordinance:

Bond Number	Maturity (09/01)	Principal Amount	Interest Rate
R-1	2017	$1,235,000	0.000%

Bond Number	Maturity (09/01)	Principal Amount	Interest Rate
R-2	2018	1,230,000	0.000
R-3	2019	1,230,000	0.000
R-4	2020	1,235,000	0.000
R-5	2021	1,235,000	0.000
R-6	2022	1,235,000	0.000
R-7	2023	1,235,000	0.090
R-8	2024	1,230,000	0.200
R-9	2025	1,235,000	0.320

Section 3.4. Redemption Prior to Maturity.

(a) *Optional Redemption*. The 2016B Bonds are not subject to optional redemption.

Section 3.5. Manner of Payment, Characteristics, Execution and Authentication. The Paying Agent/Registrar shall be the paying agent for the Series 2016B Bonds. The Series 2016B Bonds shall be payable, shall have the characteristics, shall be signed and executed, shall be sealed, and shall be authenticated, all as provided Form of Bond included as Exhibit A to this Ordinance. The Series 2016B Bonds initially delivered shall also have attached or affixed to each such Series 2016B Bond the registration certificate of the Comptroller of Public Accounts of the State of Texas.

The Series 2016B Bonds shall be signed on behalf of the City by the Mayor and countersigned by the City Secretary by their manual, lithographed, or facsimile signatures thereon. Such facsimile signature on the Series 2016B Bonds shall have the same effect as if each of the Series 2016B Bonds had been signed manually and in person by each of said officials. If any officer of the City whose manual or facsimile signature shall appear on the Series 2016B Bonds, as provided in the Form of Bond included as Exhibit A hereto, shall cease to be such officer before the authentication of the Series 2016B Bonds or before the delivery of the Series 2016B Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

The approving legal opinion of Andrews Kurth LLP, Houston, Texas, Bond Counsel, may be printed on the Series 2016B Bonds over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Series 2016B Bonds, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Series 2016B Bonds.

Section 3.6. Approval by Attorney General; Registration by Comptroller. The Initial Series 2016B Bond shall be delivered to the Attorney General of the State of Texas for examination and approval and shall be registered by the Comptroller of Public Accounts of the State of Texas. The manually executed registration certificate of such Comptroller substantially

in the form provided in Exhibit A of this Ordinance shall be affixed or attached to the Initial Series 2016B Bonds.

Section 3.7. Authentication. Except for the Series 2016B Bonds to be initially issued, which need not be authenticated, only such Series 2016B Bonds as shall bear thereon a certificate of authentication substantially in the form provided in Exhibit A of this Ordinance, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Series 2016B Bond so authenticated was delivered by the Paying Agent/Registrar hereunder.

Section 3.8. Special Record Date. If interest on any Series 2016B Bond is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a "Special Record Date." The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Registered Owner of an affected Series 2016B Bond as of the close of business on the day prior to the mailing of such notice.

Section 3.9. Ownership. Subject to the further provisions of this Section, the City, the Paying Agent/Registrar, and any other person may treat the person in whose name any Series 2016B Bond is registered on the Register as the absolute Owner of such Series 2016B Bond for the purpose of making and receiving payment of the principal of or interest on such Series 2016B Bond, and for all other purposes, whether or not such Series 2016B Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Series 2016B Bond in accordance with this Section 3.9 shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Series 2016B Bond to the extent of the sums paid.

Section 3.10. Book-Entry Only System. The definitive Series 2016B Bonds shall be initially issued in the form of a separate single fully registered Series 2016B Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2016B Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.12 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

With respect to Series 2016B Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in

the Series 2016B Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2016B Bonds, (b) the delivery to any DTC Participant or any other person, other than a Registered Owner of a Series 2016B Bond, as shown on the Register, of any notice with respect to the Series 2016B Bonds, including any notice of redemption or (c) the payment to any DTC Participant or any other person, other than a Registered Owner of a Series 2016B Bond as shown in the Register, of any amount with respect to principal of Series 2016B Bonds, premium, if any, or interest on the Series 2016B Bonds.

Except as provided in Section 3.11 of this Ordinance, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2016B Bond is registered in the Register as the absolute owner of such Series 2016B Bond for the purpose of payment of principal of, premium, if any, and interest on Series 2016B Bonds, for the purpose of giving notices of redemption and other matters with respect to such Series 2016B Bond, for the purpose of registering transfer with respect to such Series 2016B Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of Series 2016B Bonds, premium, if any, and interest on the Series 2016B Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2016B Bonds to the extent of the sum or sums so paid. No person other than an owner shall receive a Series 2016B Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance.

Section 3.11. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, as long as any Series 2016B Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2016B Bonds, and all notices with respect to such Series 2016B Bonds shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

Section 3.12. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC, and that it is in the best interest of the beneficial owners of the Series 2016B Bonds that they be able to obtain certificated Series 2016B Bonds, the City or the Paying Agent/Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Series 2016B Bonds to such successor securities depository or (b) notify DTC of the availability through DTC of Series 2016B Bonds and transfer one or more separate Series 2016B Bonds to DTC Participants having Series 2016B Bonds credited to their DTC accounts. In such event, the Series 2016B Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names a Registered Owner of a Series 2016B

Bond transferring or exchanging Series 2016B Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.13. Registration, Transfer, and Exchange. The Paying Agent/Registrar shall keep the Register at its principal corporate trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Series 2016B Bonds in accordance with the terms of this Ordinance.

Each Series 2016B Bond shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Series 2016B Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Series 2016B Bond or Series 2016B Bonds, registered in the name of the transferee or transferees, in the same maturity and aggregate principal amount and bearing interest at the same rate as the Series 2016B Bond or Series 2016B Bonds so presented.

All Series 2016B Bonds shall be exchangeable upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar for a Series 2016B Bond or Series 2016B Bonds of the same maturity in any authorized denomination and interest rate, in an aggregate amount equal to the unpaid principal amount of the Series 2016B Bond or Series 2016B Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Series 2016B Bonds in accordance with the provisions of this Section 3.11. Each Series 2016B Bond delivered in accordance with this Section 3.11 shall be entitled to the benefits and security of this Ordinance to the same extent as the Series 2016B Bond or Series 2016B Bonds in lieu of which such Series 2016B Bond is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Series 2016B Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Series 2016B Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

The Paying Agent/Registrar shall not be required to transfer or exchange any Series 2016B Bond called for redemption in whole or in part during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that this restriction shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of a Series 2016B Bond called for redemption in part.

Section 3.14. Cancellation of Series 2016B Bonds. All Series 2016B Bonds paid or redeemed in accordance with this Ordinance, and all Series 2016B Bonds in lieu of which exchange Series 2016B Bonds or replacement Series 2016B Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall furnish the City with appropriate certificates of destruction of such Series 2016B Bonds.

Section 3.15. Mutilated, Lost, or Stolen Series 2016B Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Series 2016B Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Series 2016B Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar.

If any Series 2016B Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas, and in the absence of notice or knowledge that such Series 2016B Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver, a replacement Series 2016B Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner thereof shall have:

(a) furnished to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Series 2016B Bond;

(b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that may be imposed; and

(d) met any other reasonable requirements of the City and the Paying Agent/Registrar.

If, after the delivery of such replacement Series 2016B Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Series 2016B Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Series 2016B Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed, or wrongfully taken Series 2016B Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Series 2016B Bond, authorize the Paying Agent/Registrar to pay such Series 2016B Bond.

Each replacement Series 2016B Bond delivered in accordance with this Section 3.13 shall be entitled to the benefits and security of this Ordinance to the same extent as the Series 2016B Bond or Series 2016B Bonds in lieu of which such replacement Series 2016B Bond is delivered.

ARTICLE IV
FORM OF SERIES 2016B BONDS AND CERTIFICATES

Section 4.1. Forms. The form of the Series 2016B Bonds, including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment, the form of the Comptroller's Registration Certificate and the form of the Statement of Insurance, if any, which shall be attached or affixed to the Initial Series 2016B Bonds, shall be, respectively, as described in Exhibit A to this Ordinance, with such additions, deletions, and variations as may be necessary or desirable and not prohibited by this Ordinance.

Section 4.2. Legal Opinion; CUSIP Numbers. The approving legal opinion of Andrews Kurth LLP, Houston, Texas, Bond Counsel, may be printed on the Series 2016B Bonds over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Series 2016B Bonds, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Series 2016B Bonds.

ARTICLE V
SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

Section 5.1. Pledge and Source of Payment. The City hereby covenants and agrees that Gross Revenues of the System shall, as collected and received by the City, be deposited and paid into the special funds hereinafter established, and shall be applied in the manner hereinafter set forth, in order to provide for the payment of all Maintenance and Operation Expenses and to provide for the payment of principal of, interest on and any redemption premiums on the Bonds and all expenses of paying same; and to provide for the disposition of the remaining Net Revenues. The Bonds shall constitute special obligations of the City that shall be payable solely from and shall be equally and ratably secured by a first lien on and pledge of the Net Revenues as collected and received by the City from the operation and ownership of the System, which Net Revenues shall, in the manner herein provided, be set aside for and are hereby pledged to the payment of the Bonds in the Interest and Sinking Fund and the Reserve Fund as hereinafter provided, and the Bonds shall be, in all respects, on a parity with and of equal dignity with one another. The Owners of the Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Bonds out of any funds raised or to be raised by taxation.

Section 5.2. Rates and Charges. So long as any Bonds remain Outstanding, the City shall fix, charge and collect rates and charges for the use and services of the System which are calculated to be fully sufficient to produce Net Revenues in each Fiscal Year at least equal to 115% of the principal and interest requirements scheduled to occur in such Fiscal Year on all Bonds then Outstanding, plus an amount equal to the sum of all deposits required to be made to the Reserve Fund in such Fiscal Year (but in no event shall Net Revenues ever be less than the amount required to establish and maintain the Interest and Sinking Fund and the Reserve Fund as hereinafter provided) and, to the extent that funds for such purpose are not otherwise available, to pay all other outstanding obligations payable from the Net Revenues of the System, as and when the same become due. For the purpose of complying with its obligation to fix, charge and collect rates and charges, as herein provided, the City shall be entitled to rely on the certificate

described in Section 6.1 of this Ordinance, as therein provided, in determining the amount of interest anticipated to be paid in respect of Bonds bearing interest at a variable rate.

The City will not grant or permit any free service from the System, except for public buildings and institutions operated by the City. In addition, the City will not grant or permit any free service from the System permitted by the previous sentence if to do so would violate any condition or covenant to which the City is bound in connection with any federal grant agreement or otherwise.

Section 5.3. Special Funds. The following "Special Funds" shall be established, maintained and accounted for as hereinafter provided so long as any of the Bonds remain Outstanding:

(a) Revenue Fund;

(b) Interest and Sinking Fund; and

(c) Reserve Fund.

All of such Funds shall be maintained as separate accounts on the books of the City. The Interest and Sinking Fund and the Reserve Fund shall constitute trust funds which shall be held in trust for the Owners of the Bonds and the proceeds of which shall be pledged to the payment of the Bonds. All of the Funds named above shall be used solely as herein provided so long as any Bonds remain Outstanding.

Section 5.4. Flow of Funds. Gross Revenues of the System shall be deposited as collected into the Revenue Fund. Moneys from time to time on deposit to the credit of the Revenue Fund shall be applied in the following manner and in the following order of priority:

(a) First, to pay Maintenance and Operation Expenses and to provide by encumbrance for the payment of all obligations incurred by the City for Maintenance and Operation Expenses and to establish and maintain an operating reserve equal to one month's estimated Maintenance and Operation Expenses;

(b) Second, to make all deposits into the Interest and Sinking Fund required by any ordinance authorizing the issuance of Bonds;

(c) Third, to reimburse the provider of a Surety Bond any amounts advanced under such Surety Bond;

(d) Fourth, to pay interest to any provider of a Surety Bond any amounts advanced under such Surety Bond;

(e) Fifth, to make all deposits into the Reserve Fund required by any ordinance authorizing the issuance of Bonds;

(f) Sixth, to make all deposits, as may be required by any ordinance of the City authorizing the issuance of certain Subordinate Lien Obligations described in

Section 6.2 hereof, in order to provide for the payment of and security for such Subordinate Lien Obligations; and

(g) Seventh, for any lawful purpose.

Section 5.5. Interest and Sinking Fund. On or before the last Business Day of each month so long as any Bonds remain Outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses, there shall be transferred into the Interest and Sinking Fund from the Revenue Fund the following amounts:

(a) Such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the interest scheduled to become due on the Bonds on the next Interest Payment Date; and

(b) Such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the next maturing principal of the Bonds (i.e., the principal amount payable on the next September 1), including the principal amounts of, and any redemption premiums on, any Bonds payable as a result of the operation or exercise of any mandatory or optional redemption provision contained in any ordinance authorizing the issuance of Bonds.

Whenever the total amounts on deposit to the credit of the Interest and Sinking Fund and the Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all Outstanding Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further payments need be made into the Interest and Sinking Fund or the Reserve Fund, and such Bonds shall not be regarded as being Outstanding except for the purpose of being paid with the moneys on deposit in such Funds.

Moneys deposited to the credit of the Interest and Sinking Fund shall be used solely for the purpose of paying principal (at maturity, prior redemption or tender, or to purchase Bonds in the open market to be credited against mandatory redemption requirements), interest and redemption premiums on the Bonds, plus all bank charges and other costs and expenses relating to such payment.

On or before each date principal becomes due and/or each Interest Payment Date on the Bonds, the City shall transfer from the Interest and Sinking Fund to the Paying Agent for the Bonds an amount equal to the principal of, interest on and any redemption premiums payable on the Bonds on such date, together with an amount equal to all bank charges and other costs and expenses relating to such payment. The Paying Agent shall destroy all paid Bonds and shall provide the City with an appropriate certificate of destruction.

Section 5.6. Reserve Fund. On or before the last Business Day of each month so long as any Bonds remain Outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses and after making all required transfers into the Interest and Sinking Fund, there shall be transferred into the Reserve Fund from the Revenue Fund amounts equal to one-sixtieth (1/60th) of the Average Annual Principal and Interest Requirements on the Bonds unless or until there has been accumulated in the Reserve Fund money and investments in an aggregate amount at least equal to the Average Annual Principal

and Interest Requirements on the Bonds; provided that additional deposits into the Reserve Fund sufficient to provide for the increased reserve requirements resulting from the issuance of any Additional Bonds shall be made by not later than 60 months from the date of issuance of such Additional Bonds as required by Section 6.1(d) hereof. Such additional deposits into the Reserve Fund in connection with the issuance of any Additional Bonds shall be made each month in amounts equal to one-sixtieth (1/60th) of the Average Annual Principal and Interest Requirements on the Bonds and such Additional Bonds. After such amount has accumulated in the Reserve Fund and so long thereafter as such fund contains such amount, no further deposits shall be required to be made into the Reserve Fund, and any excess amounts in the Fund may be transferred to the Revenue Fund; but if and whenever the balance in the Reserve Fund is reduced below such amount, monthly deposits into such Fund shall be resumed and continued in amounts at least equal to one-twelfth (1/12th) of the Average Annual Principal and Interest Requirements on the Bonds until the Reserve Fund has been restored to such amount. The Reserve Fund shall be used to pay the principal of and interest on the Bonds at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose and it may be used finally to pay and retire the last Bonds to mature or be redeemed.

Section 5.7. Deficiencies in Funds. If in any month there shall not be deposited into any fund maintained pursuant to this Article the full amounts required hereinabove, amounts equivalent to such deficiency shall be set apart and paid into such Special Fund or Funds from the first available and unallocated moneys in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during any succeeding month or months. To the extent necessary, the rates and charges for the System shall be increased to make up for any such deficiencies.

Section 5.8. Investment of Funds; Transfer of Investment Income.

(a) Money in the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund may, at the option of the City, be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments with any national bank) that the money required to be expended from any Special Fund will be available at the proper time or times, and provided further that in no event shall such deposits or investments of moneys in the Reserve Fund mature later than the final maturity date of the Bonds. All such investments shall be valued in terms of current market value no less frequently than the last Business Day of the City's Fiscal Year, except that any direct obligations of the United States of America - State and Local Government Series shall be continuously valued at their par value or principal face amount. Any obligation in which money is so invested shall be kept and held in an official depository of the City, except as hereinafter provided. For purposes of maximizing investment returns, money in such funds may be invested, together with money in other funds or with other money of the City, in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository of the City, which shall not be deemed to

be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such fund are held by or on behalf of each such fund. If necessary, such investments shall be promptly sold to prevent any default.

(b) All interest and income derived from such deposits and investments shall be credited monthly to the Special Fund from which such investment was made.

Section 5.9. Security for Uninvested Funds. So long as any Bonds remain Outstanding, all uninvested moneys on deposit in, or credited to, the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund shall be secured by the pledge of security as provided by law for cities in the State of Texas.

ARTICLE VI
ADDITIONAL BONDS

Section 6.1. Additional Bonds. The City reserves the right to issue, for any lawful purpose, including the refunding of any previously issued Bonds or any other bonds or obligations of the City issued in connection with the System or payable from Net Revenues, one or more series of Additional Bonds on a parity with the Outstanding Bonds and any Additional Bonds then Outstanding, payable from, and secured by a first lien on, the Net Revenues of the System; provided, however, that no Additional Bonds may be issued unless:

(a) All Additional Bonds shall mature only on September 1 and interest thereon shall be payable only on March 1 and September 1;

(b) The Interest and Sinking Fund and the Reserve Fund each contains the amount of money then required to be on deposit therein;

(c) For either the preceding Fiscal Year or any consecutive 12-month period out of the 15-month period immediately preceding the month in which the bond ordinance authorizing such Additional Bonds is adopted (the "Base Period") either:

(1) Net Revenues are certified by the Director of Finance of the City to have been equal to at least one hundred and forty percent (140%) of the Average Annual Principal and Interest Requirements on all Bonds, after giving effect to the issuance of the Additional Bonds to be issued; or

(2) Net Revenues, adjusted to give effect to any rate increase or annexation of territory placed into effect or consummated prior to the adoption of the ordinance authorizing the Additional Bonds to the same extent as if such rate increase or annexation had been placed into effect or consummated prior to the commencement of the Base Period, would have been equal to at least the amount required in paragraph (1) above, as certified by an independent consulting engineer or independent firm of consulting engineers;

Provided, however, that this requirement shall not apply to the issuance of any series of Additional Bonds for refunding purposes that will not have the result of increasing the average annual principal and interest requirements on the Bonds; and

(d) Provision is made in the bond ordinance authorizing the Additional Bonds then proposed to be issued for (1) additional payments into the Interest and Sinking Fund sufficient to provide for the payment of the increased principal of and interest on the Bonds resulting from the issuance of such Additional Bonds, and (2) additional payments into the Reserve Fund sufficient to provide for the accumulation therein of the increased reserve requirement resulting from the issuance of such Additional Bonds, by not later than sixty (60) months from the date of issuance of such Additional Bonds.

The provisions of this Section 6.1(a) notwithstanding, the City may issue Additional Bonds that bear interest at a variable rate. Such variable rate bonds may mature on dates other than September 1 and interest thereon may be payable on dates other than March 1 or September 1; provided that the issuance of Additional Bonds as variable rate bonds may not cause the total amount of Outstanding Bonds that are variable rate bonds to exceed 50% (20% as long as the *Series 1999 Bonds* shall remain outstanding) of the aggregate principal amount of all Outstanding Bonds and Subordinate Lien Obligations at the time of such issuance. For purposes of calculating the funding requirements for the Reserve Fund and for the purposes of calculating compliance with the conditions precedent to the issuance of Additional Bonds pursuant to Section 6.1(c) and the rate covenant set forth in Section 5.2, any Bonds that are variable rate bonds shall be assumed to bear interest at a rate which shall be estimated and certified by the financial advisor to the City as the rate that would be borne by such variable rate bonds if they were at the date of such certification issued as Bonds bearing a fixed rate of interest to their scheduled maturity or maturities.

Section 6.2. Subordinate Lien Obligations. The City reserves the right to issue, for any lawful purpose, bonds, notes or other obligations secured in whole or in part by liens on the Net Revenues that are junior and subordinate to the lien on Net Revenues securing payment of the Bonds. Such Subordinate Lien Obligations may be further secured by any other source of payment lawfully available for such purposes. In the event that the City should decide to issue such Subordinate Lien Obligations as variable rate bonds, for purposes of calculating the funding requirements for the reserve fund for such Subordinate Lien Obligations, the variable rate bonds shall be assumed to bear interest at the rate of 10% per annum, and for purposes of calculating compliance with any conditions precedent to the issuance of additional Subordinate Lien Obligations and any rate covenants relating to such Subordinate Lien Obligations, the variable rate bonds shall be assumed to bear interest at the higher of 9% per annum or the highest variable rate over the preceding twenty-four (24) months.

Deposits may be made pursuant to Section 5.4(f) of this Ordinance into such funds as may be created and maintained for the payment of and security for Subordinate Lien Obligations described in this Section (including a reserve fund not to exceed the Average Annual Principal and Interest Requirements on such Subordinate Lien Obligations and any provisions for curing deficiencies in such funds), but only to the extent that the aggregate Outstanding principal amount of such Subordinate Lien Obligations does not exceed 50% of the aggregate principal amount of Bonds and Subordinate Lien Obligations Outstanding on the date of such calculation.

Section 6.3. Special Project Bonds. The City reserves the right to issue revenue bonds secured by liens on and pledges of revenues and proceeds derived from Special Projects.

ARTICLE VII
COVENANTS AND PROVISIONS
RELATING TO BONDS

Section 7.1. Punctual Payment of Bonds. The City covenants that it will punctually pay or cause to be paid the interest on and principal of all Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Ordinance and in any other ordinance authorizing the issuance of such Bonds.

Section 7.2. Power to Own and Operate System; Ratemaking Power. The City covenants that it has all necessary power and authority to own and operate the System as herein described and provided and that it possesses, and shall exercise, all necessary power and authority to establish, fix, increase, impose and collect rates and charges for the use and services of the System in the amounts required to comply with the covenants and provisions contained herein.

Section 7.3. Maintenance of System. So long as any Bonds remain Outstanding, the City covenants that it will at all times maintain the System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the System, the City will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative or judicial body promulgating same, noncompliance with which would materially and adversely affect the operation of the System.

Section 7.4. Sale or Encumbrance of System. So long as any Bonds remain Outstanding, the City covenants that it will not sell, dispose of or, except as permitted in Article VI, further encumber the System; provided, however, that this provision shall not prevent the City from disposing of any portion of the System which is being replaced or is deemed by the City to be obsolete, worn out, surplus or no longer needed for the proper operation of the System. Net proceeds from any such disposition may be deposited in the Revenue Fund and, notwithstanding any other provision contained herein, shall be used only for System purposes. Any agreement pursuant to which the City contracts with a person, corporation, municipal corporation or political subdivision to operate the System or to lease and/or operate all or part of the System shall not be considered as an encumbrance of the System.

Section 7.5. Insurance. The City covenants that it will keep the System insured with insurers of good standing, against risks, accidents or casualties against which and to the extent customarily insured against by political subdivisions of the State of Texas operating similar properties, to the extent that such insurance is available. All net proceeds of such insurance shall be applied to repair or replace any insured property that is damaged or destroyed, or shall be deposited in the Revenue Fund, or shall be used to redeem Outstanding Bonds. The cost of all

such insurance, together with any additional insurance, shall be a part of the Maintenance and Operation Expenses.

Section 7.6. Accounts, Records and Audits. So long as any Bonds remain Outstanding, the City covenants that it will maintain a proper and complete system of records and accounts pertaining to the operation of the System in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof. The City shall, after the close of each Fiscal Year, prepare financial statements of the System, and have those financial statements audited by an independent certified public accountant or independent firm of certified public accountants. After the audit, the City shall furnish a copy of these audited financial statements, together with the independent certified public accountant's report thereon, without cost, to the Municipal Advisory Council of Texas, the major municipal rating agencies, and any Owners of Bonds who shall request the same. All expenses incurred in preparing such audits shall be Maintenance and Operation Expenses.

Section 7.7. Competition. To the extent it legally may, the City covenants that it will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System and will prohibit the operation of any such competing facilities to the extent that such competing facilities would impair the City's ability to pay principal of or interest on the Bonds.

Section 7.8. Pledge and Encumbrance of Net Revenues. The City covenants that it has the lawful power to create a lien on and to pledge the Net Revenues to secure the payment of the Bonds, and has lawfully exercised such power under the Constitution and laws of the State of Texas. The City further covenants that, other than to the payment of the Bonds, the Net Revenues are not and will not be made subject to any other lien, pledge or encumbrance to secure the payment of any debt or obligation of the City, unless such lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the Bonds.

Section 7.9. Covenants with Respect to Certain Assumed Water District Bonds. So long as any Bonds remain Outstanding, the City covenants as follows:

(a) To the extent it legally may, the City will impose, and strictly enforce, the requirement upon all water districts located within the City's extraterritorial jurisdiction that any bonds issued by such water districts which are secured in whole or in part by pledges of or liens on water or sewer system revenues shall provide that all such pledges of and liens on water or sewer system revenues shall automatically terminate upon the annexation and dissolution of the district by the City;

(b) The City shall use its best efforts to redeem, refund or defease all annexed water district bonds assumed by the City which by their own terms are secured in whole or in part by pledges of or liens on water or sewer system revenues which do not terminate upon annexation and dissolution by the City of such water district, or otherwise to provide for the discharge of such pledges or liens on water or sewer system revenues; and

(c) Pursuant to Section 43.075, Texas Local Government Code (successor to Article 1182c-1, Vernon's Texas Civil Statutes, as amended), the City shall, unless it has theretofore made adequate provision for the payment thereof, annually levy and cause to be collected taxes upon all taxable property of the City sufficient to pay principal of and interest, as they respectively become due and payable, on all assumed bonds, warrants and other obligations that were issued by water districts that have been annexed to, and dissolved by, the City, and which are by their own terms secured in whole or in part by a lien on or pledge of water or sewer system revenues which did not terminate upon the annexation and dissolution by the City of such water district.

Section 7.10. Registered Owners' Rights and Remedies. This Ordinance shall constitute a contract between the City and the Owners of the Series 2016B Bonds from time to time Outstanding and this Ordinance shall be and remain irrepealable until the Series 2016B Bonds and the interest thereon shall be fully paid or discharged or provision therefor shall have been made as provided herein. In the event of a default in the payment of the principal of or interest on any of the Series 2016B Bonds or a default in the performance of any duty or covenant provided by law or in this Ordinance, the Owner or Owners of any of the Series 2016B Bonds may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the City to remedy such default and to prevent further default or defaults. Without in any way limiting the generality of the foregoing, it is expressly provided that any Owner of any of the Series 2016B Bonds may at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required to be performed by the City under this Ordinance, including the making and collection of reasonable and sufficient rates and charges for the use and services of the System, the deposit of the revenues thereof into the Special Funds herein provided, and the application of such revenues in the manner required in this Ordinance.

Section 7.11. Defeasance. The City may defease the provisions of this Ordinance and discharge its obligations to the Registered Owners of any or all of the Series 2016B Bonds to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar or with the State Treasurer of the State of Texas either:

(a) cash in an amount equal to the principal amount of such Series 2016B Bonds plus interest thereon to the date of maturity or redemption; or

(b) pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment

quality by a nationally recognized investment rating firm not less than AAA or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption;

provided, however, that if any of the Series 2016B Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. Upon such deposit, such Series 2016B Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

Section 7.12. Legal Holidays. In any case where the date of maturity of interest on or principal of the Series 2016B Bonds or the date fixed for redemption of any Series 2016B Bonds shall be in the City a legal holiday or a day on which the Paying Agent/Registrar for the Series 2016B Bonds is authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding day not in the City a legal holiday or a day on which such Paying Agent Registrar is authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment.

Section 7.13. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar (or paying agent) for the Series 2016B Bonds shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

Section 7.14. No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Series 2016B Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Series 2016B Bonds.

Section 7.15. Amendment to Ordinance. The City may, with the consent of Owners holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3)

reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE VIII
CONCERNING THE PAYING AGENT/REGISTRAR

Section 8.1. Acceptance. Wells Fargo Bank, N.A., Minneapolis, Minnesota, is hereby appointed as the initial Paying Agent/Registrar for the Series 2016B Bonds. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of fees and/or deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance. The registration of and payment of the principal of, premium, if any, and interest on the Series 2016B Bonds when due shall be effectuated pursuant to the terms of a Paying Agent/Registrar Agreement to be entered into by and between the City and the Paying Agent/Registrar, which shall be substantially in the form attached hereto as Exhibit B, the terms and provisions of which are hereby approved, and the Mayor and/or the Mayor Pro Tem are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest and affix the City's seal thereto.

Section 8.2. Fiduciary Account. All money transferred to the Paying Agent/Registrar under this Ordinance (except sums representing Paying Agent/Registrar's fees) shall be held in a fiduciary account for the benefit of the City, shall be the property of the City, and shall be disbursed in accordance with this Ordinance.

Section 8.3. Bonds Presented. Subject to the provisions of Section 8.4, all matured Series 2016B Bonds properly and timely presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Series 2016B Bonds shall be canceled as provided herein.

Section 8.4. Series 2016B Bonds Not Timely Presented. The Paying Agent/Registrar shall remit to the City, upon receipt of the certificate provided for herein, a sum equal to the aggregate face amount of all Series 2016B Bonds which have not been presented for payment prior to the date specified in such certificate. Such certificate shall:

(a) Specify the Series 2016B Bonds or portions thereof to which it applies and the amount of each;

(b) Specify the date on which the City believes itself to be no longer obligated to pay such Series 2016B Bonds or portions thereof by virtue of the expiration of the applicable statute of limitations under the laws of the State of Texas; and

(c) Be signed by the Mayor and attested by the City Secretary.

Funds held by the Paying Agent/Registrar that represent principal of and interest on the Series 2016B Bonds remaining unclaimed by any Registered Owner after the expiration of three years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas

Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such provisions do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City.

The Paying Agent/Registrar shall have no liability to the Owners of the Series 2016B Bonds by virtue of actions taken in compliance with this Section.

Section 8.5. Paying Agent/Registrar May Own Series 2016B Bonds. The Paying Agent/Registrar in its individual or any other capacity, may become the Owner or pledgee of Series 2016B Bonds with the same rights it would have if it were not the Paying Agent/Registrar.

Section 8.6. Successor Paying Agents/Registrars. The City covenants that at all times while any Series 2016B Bonds are Outstanding it will provide a legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar for the Series 2016B Bonds. If the Paying Agent/Registrar or its successor for any reason no longer acts as Paying Agent/Registrar hereunder, the City covenants that it will appoint a bank in the same city as the Paying Agent/Registrar initially appointed to perform the duties of Paying Agent/Registrar hereunder. Any successor Paying Agent/Registrar shall be either a national or state banking institution, and a corporation organized and doing business under the laws of the United States of America or any state, which is authorized under such laws to exercise trust powers and is subject to supervision or examination by federal or state authority.

The City reserves the right to change the Paying Agent/Registrar for the Series 2016B Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Series 2016B Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar and the new Paying Agent/Registrar shall notify each Registered Owner, by first-class mail, postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

ARTICLE IX
TAX EXEMPTION

Section 9.1. Covenants to Maintain Tax Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

"Computation Date" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" has the meaning stated in Section 1.148-1(b) of the

Regulations.

"Investment" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Issue Date" for each series or sub-series of the Series 2016B Bonds or other obligations of the City is the respective date on which such series or sub-series of the Series 2016B Bonds or other obligations of the City is delivered against payment therefor.

"Net Sale Proceeds" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Proceeds" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Rebate Amount" has the meaning stated in Section 1.148-3 of the Regulations.

"Regulations" means the temporary or final Income Tax Regulations applicable to the Bonds issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Series 2016B Bonds.

"Yield of"

any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

the Series 2016B Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on such Series 2016B Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Series 2016B Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times after the Issue Date of any Series 2016B Bond and prior to the last stated maturity of the Series 2016B Bonds

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of such Series 2016B Bond and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of such Series 2016B Bond or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall not use Gross Proceeds of such Series 2016B Bond to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of such Series 2016B Bond, directly or indirectly invest Gross Proceeds of such Series 2016B Bond in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Series 2016B Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Series 2016B Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to each converted series of the Series 2016B Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the City shall:

(1) account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other

funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Series 2016B Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,

(2) calculate the Rebate Amount with respect to such Series 2016B Bond not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least six years after the final Computation Date,

(3) as additional consideration for the purchase of the Series 2016B Bonds by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder, and

(4) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time after the Issue Date of the Series 2016B Bonds and prior to the earlier of the final stated maturity or final payment of the Series 2016B Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Series 2016B Bonds, not been relevant to either party.

ARTICLE X
CONTINUING DISCLOSURE UNDERTAKING

Section 10.1. Annual Reports. The City shall provide annually to the Municipal Securities Rulemaking Board (the "MSRB"), in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the City of the general type described in Exhibit E hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit E hereto and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided, then the City shall provide unaudited financial statements for the

applicable fiscal year by the required time, and audited financial statements when and if audited financial statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB's internet web site or (ii) filed with the SEC.

Section 10.2. Event Notices. The City shall notify the MSRB in a electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) days after the occurrence of the event), of any of the following events with respect to the Series 2016B Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2016B Bonds, or other material events affecting the tax status of the Series 2016B Bonds;

(g) Modifications to rights of holders of the Series 2016B Bonds, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution, or sale of property securing repayment of the Series 2016B Bonds, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the City;

(m) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional Paying Agent/Registrar or the change of name of Paying Agent/Registrar, if material.

For the purposes of the event identified in clause (l), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 10.1 of this Ordinance by the time required by such Section.

Section 10.3. Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an "obligated person" with respect to the Series 2016B Bonds within the meaning of the Rule, except that the City in any event will give the notice required by Section 10.2 of any Series 2016B Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Series 2016B Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2016B Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY SERIES 2016B BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT

OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Article is intended or shall act to disclaim, waive or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status or type of operations of the City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2016B Bonds in the primary offering of the Series 2016B Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Series 2016B Bonds consent to such amendment or (b) a person or entity that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Series 2016B Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 10.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Article in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2016B Bonds in the primary offering of the Series 2016B Bonds.

Section 10.4. Definitions. As used in this Article, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

ARTICLE XI
SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 11.1. Sale of Series 2016B Bonds. The sale of the Series 2016B Bonds to the Purchaser at a price of par, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor, Mayor Pro-Tem and all other

officials, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Bonds.

Section 11.2. Approval, Registration and Delivery. The Mayor and the City Secretary are hereby authorized to have control and custody of the Series 2016B Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor of the City, the City Secretary of the City, the City Manager of the City and other officers and employees of the City are hereby authorized, directed and instructed to make such certifications and to execute such instruments (including by printed facsimile signature, the Series 2016B Bonds) as may be necessary to accomplish the delivery of the Series 2016B Bonds and to assure the investigation, examination, and approval thereof by the Attorney General of Texas and the registration of the initial Series 2016B Bonds by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Series 2016B Bonds, the Comptroller of Public Accounts of the State of Texas (or a deputy designated in writing to act for him) shall be requested to sign manually the registration certificate prescribed herein to be attached or affixed to each Series 2016B Bond initially delivered and the seal of the Comptroller of Public Accounts of the State of Texas shall be impressed or printed or lithographed thereon. Delivery of the Series 2016B Bonds is subject to the unqualified approving opinion as to the legality of the Series 2016B Bonds of the Attorney General of Texas and of Andrews Kurth LLP, Houston, Texas, Bond Counsel.

Section 11.3. Offering Documents. The City Council hereby approves the form and content of the Private Placement Memorandum prepared in connection with the sale of the Series 2016B Bonds and presented to the City Council with this Ordinance and attached hereto as Exhibit D, and authorizes the distribution and delivery of the Private Placement Memorandum to the TWDB, as the purchaser of the Series 2016B Bonds.

Section 11.4. Application of Proceeds of Series 2016B Bonds. Immediately following the delivery of the Series 2016B Bonds and prior to the deposit of the proceeds from the sale of such Series 2016B Bonds in the Construction Fund established pursuant to Section 12.6 of this Ordinance, such proceeds (less any amounts used to pay costs of issuance) shall be held in trust and in escrow pursuant to the written escrow agreement described below pending written authorization to release said proceeds.

A "Special Escrow Deposit Agreement" by and between the City and Wells Fargo Bank, N.A. attached hereto as Exhibit C and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved as to form and content, and the Mayor and the City Secretary of the City are hereby authorized and directed to execute such agreement in substantially the same form and content herein approved.

Section 11.5. Related Matters. In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Mayor, the City Manager, the City Secretary, the Director of Finance and all other appropriate officers, agents, representatives and employees of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Series 2016B Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's

obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

Section 11.6. Control and Delivery of Series 2016B Bonds.

(a) The City Manager of the City is hereby authorized to have control of the Series 2016B Bonds and all necessary records and proceedings pertaining hereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State and registration with initial exchange or transfer by, the Paying Agent/Registrar.

(b) The Initial Series 2016B Bond(s) shall be the Series 2016B Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchaser. After registration by the Comptroller of Public Accounts, delivery of the Series 2016B Bonds shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) The Mayor, the City Manager, the Director of Finance of the City, and all other officers, employees, and agents of the City, and each of them, shall be and they are expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such agreements, certificates, and instruments, whether herein mentioned, as may be necessary or desirable to carry out the terms and provisions of this Ordinance, the bonds, the sale and delivery of the Series 2016B Bonds, the DTC Blanket Letter of Representations and the Official Statement. The City Council hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Series 2016B Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

ARTICLE XII
SPECIAL PROVISIONS RELATING TO THE TEXAS WATER DEVELOPMENT BOARD

Section 12.1. Compliance with the Texas Water Development Board's Rules and Regulations. The City will comply with all of the requirements contained in the resolution or resolutions adopted by the TWDB with respect to the issuance of the Series 2016B Bonds and in the TWDB's rules, regulations and relevant statutes.

Section 12.2. Construction Fund; Timely Use of Proceeds. The proceeds of the Series 2016B Bonds shall be applied to establish at an official depository of the City a construction fund (the "Construction Fund"), which shall be kept separate from all other accounts and funds of the City. Monies on deposit in the Construction Fund shall be applied in accordance with the applicable requirements of the Texas Water Code and the rules and regulations of the TWDB. All funds deposited to the credit of the Construction Fund will be used in a timely and

expeditious manner, as required by federal statute and EPA regulations, and the City will adhere to the project schedule approved by the Executive Administrator.

Section 12.3. Records; Final Accounting. The City will keep and maintain full and complete records and accounts pertaining to the construction of the projects financed with the proceeds of sale of the Series 2016B Bonds, including the Construction Fund, in accordance with the standards set forth by the Government Accounting Standard Board. Within 60 days of completion, the City will submit to the TWDB a final accounting of the total costs of the projects financed with the Series 2016B Bonds.

Section 12.4. Annual Audit. So long as any Series 2016B Bonds are held by the TWDB, the City will annually submit to the TWDB's Executive Administrator, within 180 days of the end of the City's fiscal year, a copy of its annual audited financial statements prepared in accordance with generally acceptable auditing standards by a certified public accountant.

Section 12.5. Investment of Proceeds. Proceeds from the sale of the Series 2016B Bonds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.

Section 12.6. Surplus Proceeds. Any proceeds of the Series 2016B Bonds determined to be surplus funds remaining after completion of one or more of the projects described in Section 3.1 hereof shall be used for the following purposes as approved by the Executive Administrator of the TWDB: (1) to redeem, in inverse annual order, the Series 2016B Bonds owned by the TWDB, (2) deposit into the Interest and Sinking Fund for the payment of interest or principal on the Series 2016B Bonds owned by the TWDB, or (3) eligible project costs as authorized by the Executive Administrator.

Section 12.7. Insurance. The City will maintain insurance on the projects financed with the proceeds of the Series 2016B Bonds in amounts adequate to protect the TWDB's interest.

Section 12.8. Water Conservation Program. The City has implemented or will implement an approved water conservation program required by the TWDB for so long as the Series 2016B Bonds are outstanding.

Section 12.9. TWDB Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of the Series 2016B Bonds that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.

Section 12.10. Environmental Determination. The City will comply with any special conditions specified by the TWDB's environmental determination until all financial obligations to the TWDB have been discharged.

Section 12.11. Environmental Indemnification. The City shall indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated

media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project, to the extent permitted by law.

Section 12.12. Compliance with Davis-Bacon. All laborers and mechanics employed by contractors and subcontractors for projects be paid wages at rates not less than those prevailing on projects of a similar character in the City in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations and all project contracts shall mandate compliance with the Davis-Bacon Act. All contracts and subcontracts for the construction of the project carried out in whole or in part with proceeds of the Series 2016B Bonds shall insert in full in any contract in excess of $2,000 the contracts clauses as provided by the TWDB.

Section 12.13. Federal Funding Accountability and Transparency Act. The City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282. The City shall obtain a Data Universal Numbering System Number and shall register with the System for Award Management, and maintain such registration while the Series 2016B Bonds are outstanding.

Section 12.14. American Iron and Steel Requirement. The City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines.

Section 12.15. Additional Covenants Related to Tax-Exempt Status.

(a) The City will not use any portion of the proceeds of the Series 2016B Bonds in a manner that would cause the Series 2016B Bonds to become "private activity bonds" within the meaning of Section 141 of the Code, and the Regulations.

(b) No portion of the proceeds of the Series 2016B Bonds will be used, directly or indirectly, in a manner that would cause the Series 2016B Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the Series 2016B Bonds (the "Source Series Bonds"), other than Nonpurpose Investments acquired with:

(1) proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;

(2) amounts invested in a bona fide debt service fund, within the meaning of Section 1.148-1(b) of the Regulations; and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of the maximum annual debt service on the Series 2016B Bonds, 125% of the average

annual debt service on the Series 2016B Bonds, or 10% of the stated principal amount (or, in the case of a discount, the issue price) of the Series 2016B Bonds.

(c) Neither the City nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Series 2016B Bonds.

ARTICLE XIII
MISCELLANEOUS

Section 13.1. Related Matters. In order that the City shall satisfy, in a timely manner, all of its obligations under the Ordinance, the Mayor, the City Secretary and other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for issuance and delivery of the Series 2016B Bonds, including executing by manual or facsimile signature and delivering on behalf of the City all certificates, consents, receipts, requests, notices, investment agreements and other documents as may be reasonably necessary to satisfy the City's obligations under the Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of such Ordinance. If requested by the Attorney General of Texas or his representatives, the Mayor may authorize such ministerial changes in the written text of this Ordinance as are necessary to obtain the Attorney General's approval and as he determines are consistent with the intent and purposes of this Ordinance, which determination shall be final.

Section 13.2. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 13.3. Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 13.4. Governing Law. This Ordinance shall be construed in accordance with and governed by the laws of the State of Texas.

Section 13.5. Repealer. All ordinances, or parts thereof inconsistent herewith, are hereby repealed to the extent of such inconsistency.

Section 13.6. Emergency. It is hereby officially found and determined that this Ordinance relates to an immediate public emergency affecting life, health, property and public peace, and that such emergency exists, the specific emergency being that the proceeds from the sale of the Series 2016B Bonds are required as soon as possible for necessary and urgently

needed improvements, and that this Ordinance be passed and approved on the date of its introduction.

Section 13.7. Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below.

PASSED AND APPROVED ON FIRST AND ONLY READING on the ____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Exhibit A	Form of Bond
Exhibit B	Paying Agent/Registrar Agreement
Exhibit C	Special Escrow Deposit Agreement
Exhibit D	Private Placement Memorandum
Exhibit E	Description of Annual Financial Information

EXHIBIT A

FORM OF BOND

United States of America
State of Texas

NUMBER	DENOMINATION
[1]R-	$_____
REGISTERED	REGISTERED

CITY OF PEARLAND, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS
SERIES 2016B

[2]INTEREST RATE:	DATED DATE:	[2]MATURITY DATE:	[2]CUSIP:
___%	July 28, 2016	September 1,____	

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

[3]THE CITY OF PEARLAND, TEXAS (the "City"), a municipal corporation duly incorporated under the laws of the State of Texas, for value received hereby promises to pay, but solely from certain Net Revenues as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the designated payment office of Wells Fargo Bank, N.A. in Minneapolis, Minnesota, Texas (the "Paying Agent/Registrar"), the principal amount identified above, in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay, solely from such Net Revenues, interest thereon at the rate described below, calculated on the basis of a 360-day year, composed of twelve 30-day months, from the later of the date of

[1] Initial Bond shall be numbered T-1.

[2] Omitted from Initial Bond.

[3] The first sentence of the Initial Bond shall read as follows:

> "THE CITY OF PEARLAND, TEXAS (the "City"), a municipal corporation duly incorporated under the laws of the State of Texas, for value received hereby promises to pay, but solely from certain Net Revenues as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date specified below, upon presentation and surrender of this Series 2016A Bond at the designated payment office of Wells Fargo Bank, N.A. in Minneapolis, Minnesota (the "Paying Agent/Registrar"), the principal amount set forth in the following schedule: [Insert information regarding years of maturity, principal amounts and interest rates from Section 3.3,] in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay, solely from such Net Revenues, interest thereon at the rate described above, calculated on the basis of a 360-day year, composed of twelve 30-day months, from the later of the Dated Date identified above or the most recent interest payment date to which interest has been paid or duly provided for."

delivery of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check sent by United States mail, first class, postage prepaid, payable on March 1 and September 1, beginning on March 1, 2017 mailed to the Registered Owner as shown on the books of registration kept by the Paying Agent/Registrar as of the fifteenth calendar day of the month next preceding each interest payment date. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent/Registrar. Notwithstanding the above, so long as the Texas Water Development Board ("TWDB") is the Registered Owner, all payments of principal and interest will be made by wire transfer at no cost to the TWDB.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS (herein, the "Series 2016B Bonds") aggregating $11,100,000, issued for the purpose of constructing certain repairs, improvements, additions and extensions to the City's waterworks and sanitary sewer system and payment of costs of issuance of the Bonds, all under and pursuant to Chapter 1502, Texas Government Code, as amended, and an ordinance adopted by the City on April 11, 2016 (the "Ordinance"), and other applicable law. Capitalized terms used herein without definition are defined in the Ordinance.

THIS SERIES 2016B BONDS are special obligations of the City that are payable from and are equally and ratably secured by a first lien on and pledge of the Net Revenues collected and received by the City from the operation and ownership of the City's water and sewer system as defined and provided in the Ordinance, which Net Revenues are required to be set aside and pledged to the payment of the Outstanding Bonds, as described in the Ordinance, the Series 2016B Bonds, and all Additional Bonds issued on a parity therewith, in the Interest and Sinking Fund and the Reserve Fund maintained for the payment of all such Bonds, all as more fully described and provided for in the Ordinance.

THE SERIES 2016B BONDS ARE PAYABLE SOLELY FROM SUCH NET REVENUES AND NEITHER THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE, SHALL BE OBLIGATED TO PAY THE SAME OR THE INTEREST THEREON AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2016B BONDS. THE OWNER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY AD VALOREM TAXATION.

REFERENCE IS HEREBY MADE TO THE ORDINANCE, a copy of which is on file in the office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner of this bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Series 2016B Bonds; the priority for the application and use of the income and revenues of the System; the Net Revenues pledged to the payment of the principal of and interest on the Series 2016B Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Series 2016B Bonds; the terms and conditions for the issuance of additional revenue obligations, including Additional Bonds; the terms and conditions for amending the Ordinance; the terms and

conditions relating to the transfer or exchange of this bond; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity of this bond, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein, unless otherwise defined, have the same meanings assigned in the Ordinance.

[4]THIS Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THIS BOND IS EXCHANGEABLE at the corporate trust office of the Paying Agent/Registrar for bonds in the principal amount of $5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Series 2016B Bond called for redemption in whole or in part during the 45 day period immediately prior to the date fixed for redemption.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified Paying Agent/Registrar for the Series 2016B Bonds and will cause notice of any change of Paying Agent/Registrar to be mailed to each Registered Owner.

THE CITY HAS RESERVED THE RIGHT TO ISSUE ADDITIONAL PARITY BONDS, subject to the restrictions contained in the Ordinance, which may be equally and ratably payable from, and secured by a first lien on and pledge of, the Net Revenues in the same manner and to the same extent as the Outstanding Bonds, which includes this Bond and the series of which it is a part.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, to exist, and to be done precedent to or in the issuance and delivery of this Bond have been performed, have existed, and have been done in accordance with law; that the Series 2016B Bonds do not exceed any statutory limitation; and that provision has been made for the payment

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[4] In the Initial Bond, this paragraph shall read as follows: "THIS SERIES 2016A BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto."

of the principal of and interest on this Series 2016B Bond and all of the Series 2016B Bonds by the creation of the aforesaid lien on and pledge of the Net Revenues.

IN WITNESS WHEREOF, the City has caused its corporate seal to be impressed or placed in facsimile hereon and has caused this Bond to be executed by the Mayor and countersigned by the City Secretary by manual, lithographed, or printed facsimile signatures.

CITY OF PEARLAND, TEXAS

_____
Mayor

(SEAL)

COUNTERSIGNED

_____
City Secretary

* * * * *

[FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE]

The following form of Comptroller's Registration Certificate shall be attached or affixed to each of the Series 2016B Bonds initially delivered.

THE STATE OF TEXAS

REGISTER NO._____

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond and the proceedings for the issuance hereof have been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding special obligation of the City of Pearland, Texas, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____ _____.

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

* * * * *

[FORM OF AUTHENTICATION CERTIFICATE]

The following form of Authentication Certificate shall appear on each of the Series 2016B Bonds.

AUTHENTICATION CERTIFICATE

This bond is one of the Series 2016B Bonds described in and delivered pursuant to the within-mentioned Ordinance; and, except for the Series 2016B Bonds initially delivered, this bond has been issued in conversion of and exchange for or replacement of a bond, bonds or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

WELLS FARGO BANK, N.A., Minneapolis, Minnesota

By:_____
Authorized Signature:_____
Date of Authentication:_____

* * * * *

[FORM OF ASSIGNMENT]

The following form of assignment shall appear on each of the Series 2016B Bonds.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto _____.

_____

(Social Security or Other Identifying Number)

_____

(Print or type name, address, and zip code of transferee)

the within bond and hereby irrevocably constitutes and appoints _____ attorney to transfer said bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:_____

Signature Guaranteed:

_____

_____
Registered Owner

NOTICE: The signature must be guaranteed by a commercial bank or a member firm of a national securities exchange. Notarized or witnessed signatures are not acceptable.

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

* * * *

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

See Tab _

EXHIBIT C

SPECIAL ESCROW DEPOSIT AGREEMENT

See Tab _

EXHIBIT D

PRIVATE PLACEMENT MEMORANDUM

See Tab _

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Article X of this Ordinance:

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Article are as specified below:

1. The financial statements of the City for the most recently concluded fiscal year and financial information and operating data for the Authority that conforms substantially to such information and data set out in the Official Statement for the City's Water and Sewer System Revenue Bonds, Series 2016A under the headings "CITY REVENUE DEBT," and "THE SYSTEM."

Accounting Principles

The accounting principles referred to in Article X are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

PRIVATE PLACEMENT MEMORANDUM DATED JUNE 20, 2016

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Bonds (defined below), Issuer Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in APPENDIX C - FORM OF OPINION OF BOND COUNSEL.

$11,100,000

CITY OF PEARLAND, TEXAS

(A political subdivision of the State of Texas located within Brazoria, Fort Bend and Harris Counties)

WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2016B

Dated: July 1, 2016 **Due:** September 1
Interest Accrual Date: July 28, 2016

Interest Date:	Interest on the Bonds will accrue from July 28, 2016 (the "Delivery Date") and is payable on March 1 and September 1 each year, commencing March 1, 2017 (each an "Interest Payment Date"). The Bonds will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."
Record Date:	The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day of the month next preceding each interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date (which shall be 15 days prior to the date fixed for payment of past due interest) and of the scheduled payment date of the past due interest shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.
Date Interest Accrues:	Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth, such interest payable semiannually on March 1 and September 1 of each year until the earliest of maturity or prior redemption, commencing on March 1, or September 1, immediately following the Delivery Date.
Redemption:	The Bonds are not subject to redemption prior to maturity as provided herein. See "THE BONDS - Redemption Provisions" herein.
Authorized Denominations:	The Bonds are being issued as fully registered Bonds in denominations of **$5,000**, or any integral multiple thereof.
Paying Agent:	The paying agent ("Paying Agent") for the Bonds is Wells Fargo Bank, N.A., Minneapolis, Minnesota.
Book-Entry-Only System	Upon initial issuance, the ownership of the Bonds will be registered in the registration books of the Issuer kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Bonds will be made. The purchasers of the Bonds will not receive physical delivery of Bond certificates. Principal of, interest, and premium if any, on the Bonds will be payable at the designated office of the Paying Agent in Minneapolis, Minnesota as the same become due and payable.
Issuer:	City of Pearland, Texas.
Official Action:	Bond Ordinance dated July 11, 2016.
Purpose:	See "APPENDIX B - OFFICIAL ACTION."

Security for the Bonds:	See APPENDIX B - OFFICIAL ACTION."
Ratings:	See "OTHER INFORMATION - Ratings"
Delivery Date:	July 28, 2016.

See "APPENDIX A - MATURITY SCHEDULE" for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers

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City of Pearland, Texas

Mayor and City Council

Council Members

Tom Reid
Mayor

Tony Carbone
Mayor Pro-Tem
Council Member

Derrick Reed
Council Member

Gary Moore
Council Member

Keith Ordeneaux
Council Member

Greg Hill
Council Member

Andrews Kurth LLP, Bond Counsel

BOSC, Inc., Financial Advisor

Wells Fargo Bank, N.A., Paying Agent/Escrow Agent

CD Smith, Construction Manager

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APPENDIX B FORM OF OFFICIAL ACTION
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Private Placement Memorandum
relating to

$11,100,000

CITY OF PEARLAND, TEXAS

(A political subdivision of the State of Texas located within Brazoria, Fort Bend and Harris Counties)

WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2016B

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the "Bonds" pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See "APPENDIX B – "FORM OF OFFICIAL ACTION" attached hereto.

APPENDIX A contains the maturity schedule for the Bonds. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Bonds. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Bonds. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE BONDS

General Description

The Bonds are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described therein. The Bonds are being issued as fully registered Bonds in denominations of $**5,000,** or any integral multiple thereof. The Bonds will be dated as of the stated date of issue and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Interest on the Bonds is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Bonds will be payable to the Owners upon presentation and surrender at the principal office of the Paying Agent.

Purpose

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Authority for Issuance

The Bonds issued pursuant to the Texas Constitution, the general laws of the State of Texas, particularly Chapters 1502, Texas Government Code, as amended, and the Official Action adopted by the Issuer.

Security for the Bonds

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Redemption Provisions

The Bonds are not subject to optional redemption prior to maturity.

Notice of Redemption; Selection of Bonds to Be Redeemed

See "APPENDIX B - FORM OF OFFICIAL ACTION."

The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption of the Bonds, notice of proposed amendment to the Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC.

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations and deposited with DTC. See APPENDIX B - "FORM OF OFFICIAL ACTION."

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

TAX MATTERS

Opinion

Bond Counsel will deliver its opinion on the date of delivery of the Bonds substantially in the form as attached in "APPENDIX C - FORM OF OPINION OF BOND COUNSEL."

OTHER INFORMATION

Forward Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's expectations, hopes, intentions, or strategies regarding the

future. Holders and beneficial owners of the Bonds have placed reliance on forward-looking statements. All forward looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

The Bonds are rated "Aa3" by Moody's Investors Services, Inc. and "AA-" by Fitch Ratings. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the Issuer makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

LITIGATION

General

On the date of delivery of the Bonds to the initial purchasers thereof, the Issuer will execute and deliver a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or which would affect the provisions made for their payment or security or in any manner questioning the validity of the Bonds.

The Issuer

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or Bond of the Issuer to deliver the Bonds, the security for, or the validity of, the Bonds or the financial condition of the Issuer.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of specified material events, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System. SEE APPENDIX B - "FORM OF OFFICIAL ACTION."

Compliance with Prior Undertakings

During the last 5 years, the City has complied in all material respects with its prior continuing disclosure agreements made in accordance with Rule 15c2-12.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein to the Texas Water Development Board on the Delivery Date and may not be reproduced or used, as a whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Bonds and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete. This Private Placement Memorandum was approved by the Issuer.

APPENDIX A

MATURITY SCHEDULE

$11,100,000
City of Pearland, Texas
Water and Sewer System Revenue Bonds, Series 2016B

Maturity Date (9/1)	Principal Amount	Interest Rate	Initial Yield	CUSIP No. 704883
2017	$1,235,000	0.00%	0.00%	PL5
2018	1,230,000	0.00%	0.00%	PM3
2019	1,230,000	0.00%	0.00%	PN1
2020	1,235,000	0.00%	0.00%	PP6
2021	1,235,000	0.00%	0.00%	PQ4
2022	1,235,000	0.00%	0.00%	PR2
2023	1,235,000	0.09%	0.09%	PS0
2024	1,230,000	0.20%	0.20%	PT8
2025	1,235,000	0.32%	0.32%	PU5

APPENDIX B

FORM OF OFFICIAL ACTION

[ATTACH COPY OF OFFICIAL ACTION]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

City of Pearland, Texas

Final Pricing Results:

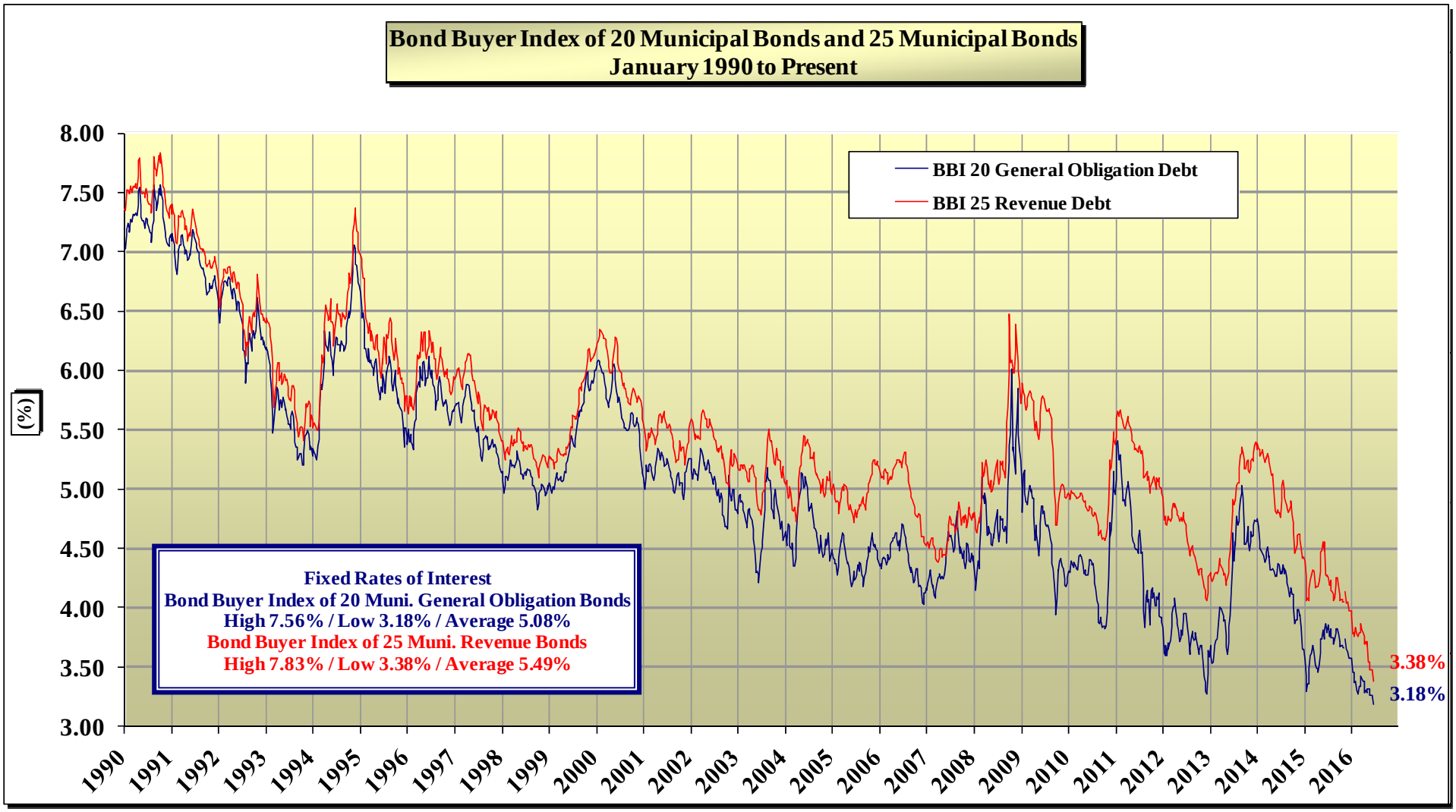
$11,100,000 Water and Sewer System Revenue Bonds, Series 2016B
$50,100,000 Water and Sewer System Revenue Bonds, Series 2016C

June 27, 2016

Broker/Dealer Services and Securities offered by BOSC, Inc., an SEC registered investment adviser, a registered broker/dealer, member FINRA/SIPC. SEC registration does not imply a certain level of skill or training. Insurance offered by BOSC Agency, Inc., an affiliated agency. Investments and insurance are not insured by FDIC, are not deposits or other obligations of, and are not guaranteed by, any bank or bank affiliate. Investments are subject to risks, including possible loss of principal amount invested.

City of Pearland, Texas

Current Market Conditions



The BBI 20 is published every Thursday. The rate consists of general obligation bonds maturing in 20 years with an average rating equivalent to Moody's "Aa2" and S&P's "AA." The BBI 25 is also published every Thursday. The rate consists of revenue bonds maturing in 30 years with an average rating equivalent to Moody's "A1" and S&P's "A+".

Water and Sewer System Revenue Bonds – Final Sources and Uses of Funds

$11,100,000
Water and Sewer System Revenue Bonds, Series 2016B

Principal Amount of the Bonds:		$11,100,000
Less: Expenses:		262,650
TWDB Origination Fee	205,350	
Bond Counsel	20,000	
Paying Agent	2,000	
Financial Advisor	24,800	
Attorney General Fee	9,500	
Miscellaneous	1,000	
Total Proceeds:		**$10,837,350**
"All Cost" True Interest Rate (a):		**0.586%**
Average Life:		5.090 Years

$50,100,000
Water and Sewer System Revenue Bonds, Series 2016C

Principal Amount of the Bonds:		$50,100,000
Less: Expenses:		1,024,850
TWDB Origination Fee	926,850	
Bond Counsel	40,000	
Paying Agent	2,000	
Financial Advisor	45,500	
Attorney General Fee	9,500	
Miscellaneous	1,000	
Total Proceeds:		**$49,075,150**
"All Cost" True Interest Rate (a):		**1.005%**
Average Life:		14.900 Years

Delivery Date: July 28, 2016

(a) Includes transaction costs.

City of Pearland, Texas

Water and Sewer System Revenue Bonds – Existing Debt Service

Fiscal Year Ending (9/30)	Current Total Debt Service (a)	Plus: Series 2016B TWDB Loan (b) Principal	Interest Rate	Interest	Plus: Series 2016C TWDB Loan (c) Principal	Interest Rate	Interest	Total Debt Service
2016	$8,546,828							$8,546,828
2017	9,317,773	$1,235,000		$8,213	$1,860,000		$343,947	12,764,933
2018	9,244,793	1,230,000		7,524	1,860,000		315,066	12,657,382
2019	9,240,321	1,230,000		7,524	1,860,000		315,066	12,652,911
2020	9,238,249	1,235,000		7,524	1,860,000		315,066	12,655,838
2021	9,295,889	1,235,000		7,524	1,855,000 (d)		315,066	12,708,478
2022	9,289,051	1,235,000		7,524	1,700,000		315,066	12,546,641
2023	9,283,551	1,235,000	0.920%	7,524	1,700,000	0.090%	315,066	12,541,141
2024	8,232,500	1,230,000	0.200%	6,412	1,700,000	0.200%	313,536	11,482,448
2025	8,281,905	1,235,000	0.320%	3,952	1,700,000	0.320%	310,136	11,530,993
2026	9,779,280				1,700,000	0.430%	304,696	11,783,976
2027	9,767,218				1,700,000	0.540%	297,386	11,764,604
2028	9,759,706				1,700,000	0.590%	288,206	11,747,912
2029	9,759,231				1,700,000	0.640%	278,176	11,737,407
2030	9,753,344				1,700,000	0.700%	267,296	11,720,640
2031	9,737,613				1,700,000	0.760%	255,396	11,693,009
2032	5,442,763				1,700,000	0.820%	242,476	7,385,239
2033	5,443,719				1,700,000	0.870%	228,536	7,372,255
2034	5,439,231				1,700,000	0.920%	213,746	7,352,977
2035	2,344,981				1,700,000	0.960%	198,106	4,243,087
2036	1,463,413				1,700,000	1.000%	181,786	3,345,199
2037	1,013,306				1,700,000	1.020%	164,786	2,878,092
2038	650,131				1,700,000	1.040%	147,446	2,497,577
2039	663,200				1,700,000	1.060%	129,766	2,492,966
2040					1,700,000	1.070%	111,746	1,811,746
2041					1,700,000	1.080%	93,556	1,793,556
2042					1,700,000	1.090%	75,196	1,775,196
2043					1,700,000	1.100%	56,666	1,756,666
2044					1,700,000	1.110%	37,966	1,737,966
2045					1,705,000	1.120%	19,096	1,724,096
Totals	**$170,987,995**	**$11,100,000**		**$63,718**	**$50,100,000**		**$6,450,045**	**$238,701,758**

Note: Assumes the Reserve Fund will be funded with cash by the City over a 60-month period. Generates proceeds of $59,912,500 for the City.

(a) Does not include General Obligation debt paid by Waterworks and Sewer System Revenues.

(b) Generates proceeds of $10,837,350 for the City.

(c) Generates proceeds of $49,075,150 for the City.

(d) Generates additional proceeds of $820,000 during the first 5 years for technology related expenditures.

CITY OF PEARLAND, TEXAS

$11,100,000* WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2016B
$50,100,000* WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2016C

PRELIMINARY TIMETABLE

May - 2016						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	**23**	24	25	26	27	28
29	30	31				

June - 2016						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	**27**	28	29	30		

July - 2016						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	**11**	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	**28**	29	30

Date*	Action Necessary
Friday, May 20, 2016	Submit Financial Documents to Texas Water Development Board ("TWDB") for review
Monday, May 23, 2016	**City Council Meeting - Discuss TWDB Bonds Timing and Debt Structure**
Monday, June 13, 2016	Finalize Financial Documents for City Agenda Packets
Monday, June 20, 2016	Receive Final Interest Rates from TWDB for the Bonds
Monday, June 27, 2016	**City Council Meeting – 1st Reading of Bond Ordinance**
Tuesday, June 28, 2016	Submit Loan Documents to the Attorney General for Review
Monday, July 11, 2016	**City Council Meeting – 2nd Reading of Bond Ordinance/Approve Sale**
Friday, July 22, 2016	Distribute Final Closing Letter
Thursday, July 28, 2016	**Bond Closing**

* Preliminary, subject to change.

City of Pearland, Texas- Revenue Debt
Current Debt plus New Debt
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016B (TWDB)

Dated Date 07/28/2016 **Water and Sewer System Revenue Bonds, Series 2016B (TWDB)** **Delivery Date 07/28/2016**

Year Ending 09/30	Current Debt Requirement	New Principal Due 09/01	Interest Various Due 03/01	Interest Various Due 09/01	Total New Interest	Total New Principal & Interest	Total Debt Service Requirement
2016	8,546,828						8,546,828
2017	9,317,773	1,235,000	4,451	3,762	8,213	1,243,213	10,560,986
2018	9,244,793	1,230,000	3,762	3,762	7,524	1,237,524	10,482,316
2019	9,240,321	1,230,000	3,762	3,762	7,524	1,237,524	10,477,845
2020	9,238,249	1,235,000	3,762	3,762	7,524	1,242,524	10,480,772
2021	9,295,889	1,235,000	3,762	3,762	7,524	1,242,524	10,538,412
2022	9,289,051	1,235,000	3,762	3,762	7,524	1,242,524	10,531,575
2023	9,283,551	1,235,000	3,762	3,762	7,524	1,242,524	10,526,075
2024	8,232,500	1,230,000	3,206	3,206	6,412	1,236,412	9,468,912
2025	8,281,905	1,235,000	1,976	1,976	3,952	1,238,952	9,520,857
2026	9,779,280						9,779,280
2027	9,767,218						9,767,218
2028	9,759,706						9,759,706
2029	9,759,231						9,759,231
2030	9,753,344						9,753,344
2031	9,737,613						9,737,613
2032	5,442,763						5,442,763
2033	5,443,719						5,443,719
2034	5,439,231						5,439,231
2035	2,344,981						2,344,981
2036	1,463,413						1,463,413
2037	1,013,306						1,013,306
2038	650,131						650,131
2039	663,200						663,200
Totals	***$170,987,996***	***$11,100,000***	***$32,205***	***$31,516***	***$63,721***	***$11,163,721***	***$182,151,714***

NEW16TWDBB1900010 Dated Date: 07/28/2016 Principal Due Dates: 09/01/2017 - 09/01/2025 Maturing Amount: 11,100,000.00

City of Pearland, Texas- Revenue Debt
Sources & Uses Report
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016B (TWDB)

Sources of Funds:		
Principal Amount of Current Interest Bonds (CIBs)		3,700,000.00
Compound Accretion Bond Proceeds (CABs)		7,400,000.00
Total SOURCES of Funds		***$11,100,000.00***
Uses of Funds:		
Deposit to Construction Fund		10,837,350.00
Issuance Expenses:	($262,650.00)	
TWDB Origination Fee		205,350.00
Bond Counsel		20,000.00
Paying Agent		2,000.00
Financial Advisor		24,800.00
Attorney General		9,500.00
Miscellaneous		1,000.00
Total USES of Funds		***$11,100,000.00***

Miscellaneous Bond Issuance Information:

Delivery Date:	07/28/2016
	-
Principal Amount of the New Money Bonds	11,100,000.00
Proceeds of "The (new) Bonds"	11,100,000.00
	-
"All Costs Included" TIC on the New Issue is	0.97409806%
Federal Arbitrage Yield on the New Issue is	0.80068038%

City of Pearland, Texas- Revenue Debt

FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016B (TWDB)

Dated Date = 07/28/2016 **Water and Sewer System Revenue Bonds, Series 2016B (TWDB)** **Delivery Date = 07/28/2016**

Dates	Term Bond Maturities	Bond Redemptions	Proceeds	Coupon Rate	Yield	Price	Interest Amount	Total Debt Service	Fiscal Year Debt Service
03/01/2017	-	-	-	-	-	-	4,451.40	4,451.40	-
09/01/2017	-	1,235,000.00	1,235,000.00	-	-	100.000000	3,761.75	1,238,761.75	1,243,213.15
03/01/2018	-	-	-	-	-	-	3,761.75	3,761.75	-
09/01/2018	-	1,230,000.00	1,230,000.00	-	-	100.000000	3,761.75	1,233,761.75	1,237,523.50
03/01/2019	-	-	-	-	-	-	3,761.75	3,761.75	-
09/01/2019	-	1,230,000.00	1,230,000.00	-	-	100.000000	3,761.75	1,233,761.75	1,237,523.50
03/01/2020	-	-	-	-	-	-	3,761.75	3,761.75	-
09/01/2020	-	1,235,000.00	1,235,000.00	-	-	100.000000	3,761.75	1,238,761.75	1,242,523.50
03/01/2021	-	-	-	-	-	-	3,761.75	3,761.75	-
09/01/2021	-	1,235,000.00	1,235,000.00	-	-	100.000000	3,761.75	1,238,761.75	1,242,523.50
03/01/2022	-	-	-	-	-	-	3,761.75	3,761.75	-
09/01/2022	-	1,235,000.00	1,235,000.00	-	-	100.000000	3,761.75	1,238,761.75	1,242,523.50
03/01/2023	-	-	-	-	-	-	3,761.75	3,761.75	-
09/01/2023	-	1,235,000.00	1,235,000.00	0.090	0.090000	100.000000	3,761.75	1,238,761.75	1,242,523.50
03/01/2024	-	-	-	-	-	-	3,206.00	3,206.00	-
09/01/2024	-	1,230,000.00	1,230,000.00	0.200	0.200000	100.000000	3,206.00	1,233,206.00	1,236,412.00
03/01/2025	-	-	-	-	-	-	1,976.00	1,976.00	-
09/01/2025	-	1,235,000.00	1,235,000.00	0.320	0.320000	100.000000	1,976.00	1,236,976.00	1,238,952.00
Total	**-**	**11,100,000.00**	**11,100,000.00**				**63,718.15**	**11,163,718.15**	**11,163,718.15**
Acc Int	**-**	**-**	**-**				**-**	**-**	**-**
Grand Ttls	**-**	**11,100,000.00**	**11,100,000.00**				**63,718.15**	**11,163,718.15**	**11,163,718.15**

TIC (Incl. all expenses) .... 0.58609940% Average Coupon 0.11272062%
TIC (Arbitrage TIC) ..... 0.11258524% Average Life (yrs) ... 5.09 IRS Form 8038-G NIC = 0.112721% (with Adjstmnt of $0.00).
Bond Years ..... 56,527.50 WAM (yrs) ..... 5.092568 NIC = 0.112721% (with Adjstmnt of $0.00).

City of Pearland, Texas- Revenue Debt
Proof of Federal Arbitrage Yield

FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016B (TWDB)

Dated Date 07/28/2016 **Water and Sewer System Revenue Bonds, Series 2016B (TWDB)** **Delivery Date 07/28/2016**

Dates	Face Amounts	Proceeds to: Bondholder(+) Issuer(-)	Interest to: Bondholder(+) Issuer(-)	Recoverable, Recurring Fees	Total Debt Service	Disc Term Bond Adjstmt for Yld Calc	BAB "Direct Pymt" Adjustment	Total Adjusted Cash Flow	PV of Adj D/S to 07/28/2016 @ 0.11258524%
07/28/2016	0.00	-11,100,000.00	0.00	0.00	0.00	0.00	0.00	-11,100,000.00	-11,100,000.00
03/01/2017	0.00	0.00	4,451.40	0.00	4,451.40	0.00	0.00	4,451.40	4,448.44
09/01/2017	1,235,000.00	1,235,000.00	3,761.75	0.00	1,238,761.75	0.00	0.00	1,238,761.75	1,237,240.61
03/01/2018	0.00	0.00	3,761.75	0.00	3,761.75	0.00	0.00	3,761.75	3,755.02
09/01/2018	1,230,000.00	1,230,000.00	3,761.75	0.00	1,233,761.75	0.00	0.00	1,233,761.75	1,230,860.59
03/01/2019	0.00	0.00	3,761.75	0.00	3,761.75	0.00	0.00	3,761.75	3,750.79
09/01/2019	1,230,000.00	1,230,000.00	3,761.75	0.00	1,233,761.75	0.00	0.00	1,233,761.75	1,229,475.99
03/01/2020	0.00	0.00	3,761.75	0.00	3,761.75	0.00	0.00	3,761.75	3,746.57
09/01/2020	1,235,000.00	1,235,000.00	3,761.75	0.00	1,238,761.75	0.00	0.00	1,238,761.75	1,233,069.98
03/01/2021	0.00	0.00	3,761.75	0.00	3,761.75	0.00	0.00	3,761.75	3,742.36
09/01/2021	1,235,000.00	1,235,000.00	3,761.75	0.00	1,238,761.75	0.00	0.00	1,238,761.75	1,231,682.89
03/01/2022	0.00	0.00	3,761.75	0.00	3,761.75	0.00	0.00	3,761.75	3,738.15
09/01/2022	1,235,000.00	1,235,000.00	3,761.75	0.00	1,238,761.75	0.00	0.00	1,238,761.75	1,230,297.37
03/01/2023	0.00	0.00	3,761.75	0.00	3,761.75	0.00	0.00	3,761.75	3,733.94
09/01/2023	1,235,000.00	1,235,000.00	3,761.75	0.00	1,238,761.75	0.00	0.00	1,238,761.75	1,228,913.41
03/01/2024	0.00	0.00	3,206.00	0.00	3,206.00	0.00	0.00	3,206.00	3,178.72
09/01/2024	1,230,000.00	1,230,000.00	3,206.00	0.00	1,233,206.00	0.00	0.00	1,233,206.00	1,222,025.62
03/01/2025	0.00	0.00	1,976.00	0.00	1,976.00	0.00	0.00	1,976.00	1,956.98
09/01/2025	1,235,000.00	1,235,000.00	1,976.00	0.00	1,236,976.00	0.00	0.00	1,236,976.00	1,224,382.58
Totals	***11,100,000.00***	***0.00***	***63,718.15***	***0.00***	***11,163,718.15***	***0.00***	***0.00***	***63,718.15***	***0.00***
								Plus PV of Bond Insurance	***0.00***
									0.00

PEARLANDCITYOFWWS: NEW16TWDBB ***Prepared by: BOSC, Inc. - Houston, Texas (JHR)*** ***06/20/2016 @ 11:38 v10.43***

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	09/01/2025	$11,100,000.00	$11,100,000.00	5.093 years	0.800680%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0.00
23	Issue price of entire issue (enter amount from line 21, column (b))			23	11,100,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	262,650.00	##	
25	Proceeds used for credit enhancement	25	0.00	##	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0.00	##	
27	Proceeds used to currently refund prior issues	27	0.00	##	
28	Proceeds used to advance refund prior issues	28	0.00	##	
29	Total (add lines 24 through 28)			29	262,650.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	10,837,350.00

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	=>	0.0000 years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	=>	0.0000 years
33	Enter the last date on which the refunded bonds will be called	=>	
34	Enter the date(s) the refunded bonds were issued		See each Issue's O/S

City of Pearland, Texas- Revenue Debt
Issuance Expenses for NEW16TWDBB
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016B (TWDB)
Expenses for NEW16TWDBB

Expense Title	Type	Units	Expense Raises Arb Yield	Exp has no Affect on Arb Yield	Total
TWDB Origination Fee	V	18.500000	0.00	205,350.00	205,350.00
Rating Agency	F	0.00	0.00	0.00	0.00
Bond Counsel	F	20,000.00	0.00	20,000.00	20,000.00
Accountant/CPA	F	0.00	0.00	0.00	0.00
Printing	F	0.00	0.00	0.00	0.00
Paying Agent	F	2,000.00	0.00	2,000.00	2,000.00
Bond Insurance	D	0.000000	0.00	0.00	0.00
Financial Advisor	F	24,800.00	0.00	24,800.00	24,800.00
Attorney General	F	9,500.00	0.00	9,500.00	9,500.00
Miscellaneous	F	1,000.00	0.00	1,000.00	1,000.00
Totals			***$0.00***	***$262,650.00***	***$262,650.00***

Type: ***F - Fixed Expense***
V - Variable Expense Based on Issue Size
D - Variable Expense Based on Total Debt Service
E - Variable Expense Based on Total Debt Service Less Accrued Interest
R - Variable Expense Based on Reserve Fund Requirement

City of Pearland, Texas
Final Cash Flows
Existing Debt Service and Actual 2016B and 2016C TWDB Clean Water State Revolving Fund Loan

Fiscal Year Ended 30-Sep	Operating Revenues	Operating Expenses	Net Revenues Available	Existing Debt Service (a)	Series 2016B TWDB Loan (b) Principal	Series 2016B TWDB Loan (b) Interest	Series 2016C TWDB Loan (c) Principal	Series 2016C TWDB Loan (c) Interest	Total Debt Service	Average Annual Debt Service	Coverage (d)
2016	37,439,538	23,591,463	13,848,075	8,546,828	-	-	-	-	8,546,828	7,956,725	1.74
2017	39,209,015	23,908,796	15,300,219	9,317,773	1,235,000	8,213	1,860,000	343,947	12,764,933	7,936,377	1.93
2018	40,711,242	24,132,306	16,578,936	9,244,793	1,230,000	7,524	1,860,000	315,066	12,657,382	7,763,928	2.14
2019	41,588,812	25,449,963	16,138,849	9,240,321	1,230,000	7,524	1,860,000	315,066	12,652,911	7,582,689	2.13
2020	42,717,956	25,699,924	17,018,032	9,238,249	1,235,000	7,524	1,860,000	315,066	12,655,838	7,387,681	2.30
2021	43,589,028	29,991,963	13,597,065	9,295,889	1,235,000	7,524	1,855,000 (e)	315,066	12,708,478	7,176,955	1.89
2022	44,463,170	30,287,345	14,175,825	9,289,051	1,235,000	7,524	1,700,000	315,066	12,546,641	6,946,474	2.04
2023	45,051,241	30,308,553	14,742,688	9,283,551	1,235,000	7,524	1,700,000	315,066	12,541,141	6,702,989	2.20
2024	45,051,241	30,886,999	14,164,243	8,232,500	1,230,000	6,412	1,700,000	313,536	11,482,448	6,437,618	2.20
2025	45,051,241	31,191,330	13,859,912	8,281,905	1,235,000	3,952	1,700,000	310,136	11,530,993	6,197,388	2.24
2026	45,051,241	30,397,820	14,653,422	9,779,280			1,700,000	304,696	11,783,976	5,930,708	2.47
2027	45,051,241	30,696,336	14,354,905	9,767,218			1,700,000	297,386	11,764,604	5,622,642	2.55
2028	45,051,241	30,997,800	14,053,441	9,759,706			1,700,000	288,206	11,747,912	5,281,421	2.66
2029	45,051,241	31,302,240	13,749,001	9,759,231			1,700,000	278,176	11,737,407	4,901,040	2.81
2030	45,051,241	31,609,686	13,441,556	9,753,344			1,700,000	267,296	11,720,640	4,473,767	3.00
2031	45,051,241	31,920,167	13,131,075	9,737,613			1,700,000	255,396	11,693,009	3,990,642	3.29
2032	45,051,241	32,069,873	12,981,368	5,442,763			1,700,000	242,476	7,385,239	3,440,473	3.77
2033	45,051,241	32,385,369	12,665,873	5,443,719			1,700,000	228,536	7,372,255	3,137,029	4.04
2034	45,051,241	32,703,983	12,347,259	5,439,231			1,700,000	213,746	7,352,977	2,784,094	4.43
2035	45,051,241	33,025,746	12,025,495	2,344,981			1,700,000	198,106	4,243,087	2,368,741	5.08
2036	45,051,241	33,350,690	11,700,551	1,463,413			1,700,000	181,786	3,345,199	2,181,306	5.36
2037	45,051,241	33,678,847	11,372,395	1,013,306			1,700,000	164,786	2,878,092	2,051,985	5.54
2038	45,051,241	34,010,247	11,040,994	650,131			1,700,000	147,446	2,497,577	1,948,721	5.67
2039	45,051,241	34,344,924	10,706,317	663,200			1,700,000	129,766	2,492,966	1,870,313	5.72
2040	45,051,241	34,682,910	10,368,332				1,700,000	111,746	1,811,746	1,766,538	5.87
2041	45,051,241	35,024,237	10,027,004				1,700,000	93,556	1,793,556	1,757,496	5.71
2042	45,051,241	35,368,939	9,682,302				1,700,000	75,196	1,775,196	1,748,481	5.54
2043	45,051,241	35,717,049	9,334,192				1,700,000	56,666	1,756,666	1,739,576	5.37
2044	45,051,241	36,068,601	8,982,640				1,700,000	37,966	1,737,966	1,731,031	5.19
2045	45,051,241	36,423,630	8,627,611				1,705,000	19,096	1,724,096	1,724,096	5.00
Total				**170,987,995**	**11,100,000**	**63,721**	**50,100,000**	**6,450,045**	**238,701,758**		

Note: Includes estimated costs of issuance and TWDB Loan Origination Fee of 1.85%. Assumes the Reserve Fund will be funded with cash by the City over a 60-month period. Generates proceeds of $59,950,000 for the City.
(a) Does not include General Obligation debt paid by Waterworks and Sewer System Revenues.
(b) Generates procees of $10,837,350.00 for the City
(c) Generates procees of $49,075,150.00 for the City
(e) Coverage of 1.40x the average annual debt service requirements at the time of the Bond Sale is required per the Bond Order.
(f) Generates proceeds of $820,000 during the first 5 years for technology related expenditures.

City of Pearland, Texas
5 Year Forecast (Includes Prooposed May 2019 Bond Election)- 20-Year Level Principal

Year Ending 9/1	Beginning Debt Service Fund Balance	Prior Year/ Estimated Taxable Assessed Valuation	Assessed Valuation Growth Rate (%)	Tax Rate per $100 of Assessed Value	Other Revenue Sources	Total Funds Available for Debt Service	Outstanding Debt Service	Less: Bonds to be Refunding	Plus: Refunding Bonds (b)	Post Refunding Debt Service Requirements	Plus: $16,405,000 Series 2016 GO Actual Results	Plus: $14,110,000 Series 2016 CO Actual Results	Plus: $18,035,000 Series 2017 GO @ 5.00%	Plus: $6,215,000 Series 2017CO @ 5.00%	Plus: $20,975,000 Series 2018 GO @ 5.50%	Plus: $2,790,000 Series 2018 CO @ 5.50%	Plus: $12,835,000 Series 2019 GO @ 6.00%	Plus: May 2019 Bond Election $70,390,000	Total Debt Service Requirements	Ending Debt Service Fund Balance	Debt Service Coverage (%)
2016	$5,033,615	$6,387,015,580	7.69%	$0.4828	$1,716,536	$31,687,635	$31,457,729	413,491		$31,044,238									$31,044,238	$5,677,012	17.175%
2017	5,677,012	6,882,445,717	7.76%	0.4828	1,711,401	34,034,422	30,811,516	3,042,050	2,573,500	30,342,966	$1,580,675	$1,130,313							33,053,953	6,657,480	18.771%
2018	6,657,480	7,351,790,923	6.82%	0.4925	1,710,680	36,914,821	30,873,477	6,010,706	5,564,639	30,427,410	1,415,450	1,028,850	$1,929,542	$664,792					35,466,043	8,106,258	20.210%
2019	8,106,258	7,806,530,362	6.19%	0.4925	1,718,524	39,151,568	33,127,738	4,868,325	4,418,764	32,678,177	1,394,000	1,014,850	1,739,125	602,375	$2,367,021	$315,175			40,110,723	7,147,103	16.543%
2020	7,147,103	8,269,227,461	5.93%	0.4925	1,716,316	41,343,022	33,263,395	5,721,313	5,242,489	32,784,572	1,377,600	1,000,850	1,689,000	581,750	2,117,000	281,900	$1,519,250	$1,850,350	43,202,272	5,287,854	12.169%
2021	5,287,854	8,682,688,834	5.00%	0.4925	1,723,072	43,340,881	33,018,897	5,832,659	5,355,839	32,542,076	1,361,200	986,850	1,644,000	566,250	2,059,250	274,200	1,357,350	2,661,500	43,452,676	5,176,059	11.541%
2022	5,176,059	9,029,996,387	4.00%	0.4925	1,720,591	45,008,142	33,007,479	5,810,225	5,332,089	32,529,343	1,332,500	972,850	1,599,000	550,750	2,001,500	266,500	1,313,800	4,282,150	44,848,393	5,335,809	11.465%
2023	5,335,809	9,300,896,279	3.00%	0.4925	1,713,481	46,299,659	33,034,285	5,317,163	4,839,089	32,556,211	1,291,500	958,850	1,554,000	535,250	1,943,750	258,800	1,275,400	6,166,900	46,540,661	5,094,806	10.742%
2024	5,094,806	9,486,914,205	2.00%	0.4925	1,424,498	46,897,064	32,947,204	5,313,288	4,835,964	32,469,881	1,250,500	944,850	1,509,000	519,750	1,886,000	251,100	1,237,000	7,359,400	47,427,481	4,564,389	9.742%
2025	4,564,389	9,581,783,347	1.00%	0.4925	1,402,695	47,318,993	32,949,354	4,380,194	3,899,339	32,468,500	1,209,500	930,850	1,464,000	504,250	1,823,388	243,400	1,198,600	7,012,550	46,855,037	5,028,345	10.874%
2026	5,028,345	9,581,783,347		0.4800	1,384,285	46,108,938	32,752,491	4,310,084	3,831,714	32,274,121	1,168,500	916,850	1,423,875	488,750	1,770,775	235,700	1,160,200	6,801,650	46,240,421	4,896,862	10.708%
2027	4,896,862	9,581,783,347		0.4800	1,341,893	46,049,206	32,687,221	4,296,183	3,815,464	32,206,502	1,127,500	895,850	1,373,750	473,250	1,713,025	228,000	1,121,800	6,590,750	45,730,427	5,215,641	11.530%
2028	5,215,641	9,581,783,347		0.4700	1,307,890	45,057,997	32,618,876	3,207,879	2,733,514	32,144,512	1,090,600	874,850	1,333,625	457,750	1,650,413	215,438	1,088,250	6,379,850	45,235,287	5,038,351	11.258%
2029	5,038,351	9,581,783,347		0.4550	1,271,903	43,595,173	32,556,518	3,894,898	3,418,714	32,080,335	1,061,900	857,350	1,283,500	442,250	1,597,800	212,875	1,044,700	6,173,800	44,754,510	3,879,014	10.827%
2030	3,879,014	12,153,326,920	(a)	0.3000	637,481	36,056,169	24,049,664	8,587,564	8,110,389	23,572,489	1,033,200	836,350	1,243,375	426,750	1,540,050	205,175	1,011,150	5,957,750	35,826,289	4,108,895	11.624%
2031	4,108,895	12,153,326,920		0.2950	553,673	35,363,272	23,994,394	10,316,778	9,842,814	23,520,430	1,000,400	810,425	1,198,125	416,125	1,482,300	197,475	967,600	5,756,550	35,349,430	4,122,737	11.819%
2032	4,122,737	12,153,326,920		0.2800	572,729	33,585,251	23,965,626	10,273,934	9,796,864	23,488,555	967,600	794,500	1,148,000	395,500	1,424,550	189,775	934,050	5,540,200	34,882,730	2,825,257	11.770%
2033	2,825,257	12,153,326,920		0.2000	412,843	23,923,009	13,045,011			13,045,011	934,800	773,500	1,103,000	380,000	1,361,938	177,213	895,350	5,333,850	24,004,661	2,743,605	11.662%
2034	2,743,605	12,153,326,920		0.1950	304,516	23,209,933	12,990,420			12,990,420	902,000	752,500	1,062,875	364,500	1,309,325	174,650	851,800	5,117,500	23,525,570	2,427,968	11.904%
2035	2,427,968	12,153,326,920		0.1675	297,622	19,938,800	10,290,932			10,290,932	869,200	731,500	1,012,750	349,000	1,251,575	166,950	813,400	4,911,150	20,396,457	1,970,311	10.642%
2036	1,970,311	12,153,326,920		0.1550	260,409	18,413,744	8,843,307			8,843,307	836,400	710,500	967,750	333,500	1,188,963	159,250	779,850	4,694,800	18,514,320	1,869,735	11.508%
2037	1,869,735	12,153,326,920		0.1350	243,448	16,027,428	8,497,973			8,497,973			927,625	322,875	1,131,488	151,550	736,300	4,478,750	16,246,561	1,650,603	11.246%
2038	1,650,603	12,153,326,920		0.1140	216,437	13,519,039	8,493,336			8,493,336					1,078,875	143,850	697,900	4,263,000	14,676,961	492,681	10.082%
2039	492,681	12,153,326,920		0.0395	188,150	4,767,001	155,460			155,460							664,350	4,066,950	4,886,760	372,922	11.461%
2040	372,922	12,153,326,920		0.0265	88,699	3,153,481	159,960			159,960								3,094,000	3,253,960	272,443	10.159%
2041	272,443	12,153,326,920		0.0220	71,439	2,611,831	164,460			164,460								2,517,350	2,681,810	202,464	12.300%
2042	202,464	12,153,326,920		0.0126	65,460	1,511,398												1,646,100	1,646,100	67,762	10.044%
2043	67,762	12,153,326,920		0.0126	52,984	1,497,228												674,650	674,650	890,341	0.000%
Totals							**$589,756,721**	**$91,596,732**	**$83,611,187**	**$581,771,176**	**$23,205,025**	**$17,923,288**	**$27,205,917**	**$9,375,417**	**$32,698,983**	**$4,348,975**	**$20,668,100**	**$113,331,500**	**$830,528,380**		

Average Tax Rate: **$0.3354**
Tax Rate Increase: **$0.0097**

(a) Includes the taxable assessed values of the TIRZ of $2,571,543,573 (2020 estimated value) beginning in fiscal year 2030, once the TIRZ has been dissolved.
(b) Includes the actual results of the May 2016 refunding and the estimated results of the November 2016 refunding. Preliminary, subject to change.

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	Ordinance No. 1528
DATE SUBMITTED:	July 1, 2016	**DEPT. OF ORIGIN:**	Finance
PREPARED BY:	Cynthia Pearson	**PRESENTOR:**	John Robuck
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: **Ordinance No. 1528 - An Ordinance of the City Council of the City of Pearland, Texas, authorizing issuance of City of Pearland, Texas, water and sewer system revenue bonds, series 2016c; prescribing the terms thereof; providing for the payment thereof; awarding the sale thereof; and making other provisions regarding such bonds and matters incident thereto.**

EXHIBITS: Ordinance 1528
Private Placement Memorandum
Final Numbers
Final Cash Flow
Memo from CIO regarding Technology

FUNDING:

	☐ **Grant**	☐ **Developer/Other**	☐ **Cash**
☒ **Bonds To Be Sold**	☐ **Bonds- Sold**	☐ **L/P – Sold**	☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: **AMOUNT BUDGETED:**
AMOUNT AVAILABLE: **PROJECT NO.:**
ACCOUNT NO.:

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The fiscal year 2016 budget included the sale of Water and Sewer System Revenue Bonds by the Texas Water Development Board Clean Water State Revolving Fund (CWSRF) program in the amount of $48,822,000 in order to fund the construction of the Reflection Bay Water Reclamation Treatment Plant. The actual amount of the bond sale is $50,100,000, $1.2 million higher than the fiscal year 2016 capital improvement program mainly due to construction cost escalation.

Growth rates within the sanitary sewer service area have increased both average daily flows and the biological loading contained in the plant's influent require construction of 4 MGD in additional treatment capacity. The project includes the design, permitting and construction upgrades of the influent lift station, headworks, addition of four continuous flow 1 MGD basins, modifications to the existing basins to create two additional 1 MGD continuous flow basins, new filtration and UV disinfectant systems, expansion of the sludge holding tanks, addition of two belt press dewatering systems, a new non-potable water system and new SCADA system and controls for a total treatment capacity of 6 MGD.

Design of the project is complete, and City Council approved a notice of intent to be reimbursed from future bond proceeds in November 2015; Resolution R2015-196. On March 24th, four offerors submitted proposals for the construction of the 4 MGD expansion and 2 MGD rehabilitation of the RB WRF. Staff and the Engineer have reviewed the qualifications of the apparent offeror of best value and are prepared to make a recommendation for award of ~~bring~~ the construction contract for Council consideration on July 25th. The tentative award date is timed to coincide with the final approval of the major permit amendment, required for approval to construct. The major permit amendment, required from the TCEQ, has completed the public comment period. TCEQ is expected to proceed with final Board approval, which is anticipated by mid-July. The approved amended permit is required by the TCEQ and TWDB for construction authorization and funding release. The construction of the additional 4 MGD is anticipated to be complete by July 2018 and the rehabilitation of the existing 2 MGD for a total treatment capacity of 6 MGD will be complete by April 2019.

Expansion Project Schedule

Design	August 2014 – January 2016
Bid	February-March 2016
Council Award	July 2016*
Notice to Proceed with Construction	July 2016*
Construction: 4 MGD Capacity	July 2018
Construction: total 6 MGD Capacity	April 2019

* Dependent on Major Permit amendment issuance by the TCEQ

BID AND AWARD

This is the second reading of the Ordinance. The first reading was on June 27th, and we will on close on July 28th.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE

The bonds are structured with a 30-year level principal maturity. For fiscal year 2017 annual principal payment is estimated at $1,860,000.

RECOMMENDED ACTION

Consideration and Approval of Ordinance 1528 – An Ordinance Authorizing the Issuance of City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2016C; Prescribing the Terms Thereof; Providing for the Payment Thereof; Awarding the Sale Thereof; and Making Other Provisions Regarding Such Bonds and Matters Incident Thereto.

CITY OF PEARLAND, TEXAS

WATER AND SEWER SYSTEM REVENUE BONDS
SERIES 2016C

ORDINANCE NO. 2016-1528

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ORDINANCE NO. 1528

An Ordinance of the City Council of the City of Pearland, Texas, authorizing issuance of City of Pearland, Texas, water and sewer system revenue bonds, series 2016c; prescribing the terms thereof; providing for the payment thereof; awarding the sale thereof; and making other provisions regarding such bonds and matters incident thereto.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

ARTICLE I
FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. It is hereby officially found and determined that:

(a) The City is authorized by Chapter 1502, Texas Government Code, as amended, to issue revenue bonds payable from the revenues of its water and sewer system for the purpose of constructing repairs, improvements, additions and extensions to the City's waterworks and sanitary sewer system.

(b) The City Council now deems it to be in the best interest of the City to issue, sell and deliver the Series 2016C Bonds (hereinafter defined) as hereinafter authorized, pursuant to the laws of the State of Texas, including specifically, Chapter 1502, Texas Government Code.

(c) The conditions precedent to the issuance of additional bonds which are contained in the ordinances authorizing the issuance of the Previously Issued Bonds and the Series 2016C Bonds (hereinafter defined) have been met, and the City is authorized to issue the revenue bonds and make the pledges and covenants set forth herein.

(d) The Series 2016C Bonds herein authorized for issuance are to be delivered to the Texas Water Development Board (the "TWDB" or the "Purchaser") in evidence of a loan commitment received in the aggregate amount of the Series 2016C Bonds.

ARTICLE II
DEFINITIONS AND INTERPRETATIONS

Section 2.1. Definitions. In this Ordinance, the following terms shall have the following meanings, unless the context clearly indicates otherwise:

"Act" shall mean, collectively Chapter 1502, Texas Government Code, as amended.

"Additional Bonds" shall mean the additional revenue bonds permitted to be issued by the City pursuant to Section 6.1 hereof.

"*Average Annual Principal and Interest Requirements*" shall mean the average annual principal and interest requirements for all Bonds. Upon the issuance of the Series 2016C Bonds, the Average Annual Principal and Interest Requirements are hereby determined to be $7,956,725.30 and shall be recomputed upon the issuance of each series of Additional Bonds and set forth in each ordinance authorizing the issuance of Additional Bonds. For purposes of calculating the Average Annual Principal and Interest Requirements with respect to any variable rate Additional Bonds, interest on such bonds shall be calculated in accordance with Section 6.1 of this Ordinance.

"*Bonds*" shall mean any or all of the Previously Issued Bonds, the Series 2016C Bonds and any Additional Bonds from time to time hereafter issued, but only to the extent such Bonds remain Outstanding within the meaning of this Ordinance.

"*Business Day*" shall mean any day other than (1) a Saturday or a Sunday, (2) a legal holiday or the equivalent on which banking institutions generally are authorized or required to close in New York, New York or Houston, Texas or any other city in which is located the principal corporate trust office of the Paying Agent/Registrar or (3) a day on which the New York Stock Exchange is closed in whole or in part.

"*City*" shall mean the City of Pearland, Texas, and, where appropriate, the City Council thereof and any successor to the City as owner of the System.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended.

"*Defeasance Securities*" means (1) direct, non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (2) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (3) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

"*DTC*" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

"*DTC Participant*" shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"*Fiscal Year*" shall mean the City's fiscal year, which currently runs from October 1 to September 30, but which may be changed from time to time by the City.

"*Gross Revenues*" shall mean all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System; the interest income

from the investment or deposit of money in the Revenue Fund and the Reserve Fund (each hereinafter defined in Article V hereof); and any other revenues hereafter pledged to the payment of all Bonds. Gross Revenues shall not include any of (i) grants from, or payments by, any federal, state or local governmental agency or authority or any other entity or person, the use of which is restricted by law or by the terms of the grant or payment to capital expenditures of the System, (ii) capital assets, debt service funds or debt service reserve funds of water districts or other public or private sewer systems annexed, acquired or otherwise assumed by the City or (iii) any interest earned on items (i) or (ii) above.

"*Interest Payment Date,*" when used in connection with any Series 2016C Bond, shall mean September 1 or March 1 of each year as applicable commencing March 1, 2017.

"*Maintenance and Operation Expenses*" shall mean the reasonable and necessary expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the governing body of the City, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or conditions which would otherwise impair the Bonds), and all payments (including payments of amounts equal to all or a part of the debt service on bonds issued by other political subdivisions and authorities of the State of Texas) under contracts which are now or hereafter defined as operating expenses by the Legislature of Texas. Depreciation shall never be considered as a Maintenance and Operation Expense. Maintenance and Operation Expenses shall include, without limitation, all payments under contracts for the impoundment, conveyance or treatment of water or otherwise which are now or hereafter defined as operating expenses by the Legislature of Texas and the treatment of such payments as Maintenance and Operation Expenses shall not be affected in any way if, subsequent to entering into such contracts, the City acquires as a part of the System title to any properties or facilities used to impound, convey or treat water under such contracts, or if the City contracts to acquire title to such properties or facilities as a part of the System upon the final payment of debt service on the bonds issued to finance such properties or facilities.

"MSRB" means the Municipal Securities Rulemaking Board.

"*Net Revenues*" shall mean all Gross Revenues remaining after deducting the Maintenance and Operation Expenses.

"*Ordinance*" shall mean this Bond Ordinance and all amendments hereof and supplements hereto.

"*Outstanding*" when used with reference to the Bonds shall mean, as of a particular date, all such bonds theretofore delivered except: (a) any such bond canceled by or on behalf of the City at or before said date; (b) any such bond defeased pursuant to the defeasance provisions of the ordinance authorizing its issuance, or otherwise defeased as permitted by applicable law; and (c) any such bond in lieu of or in substitution for which another bond shall have been delivered pursuant to the ordinance authorizing the issuance of such bond.

"Owner" or *"Registered Owner"* when used with respect to any Bond, shall mean the person or entity in whose name such Bond is registered in the Register. Any reference to a particular percentage or proportion of the Owners of the Bonds of a particular class or series of Bonds shall mean the Owners at a particular time of the specified percentage or proportion in aggregate principal amount of all Bonds or the Bonds of such class or series then Outstanding.

"Paying Agent/Registrar" shall mean Wells Fargo Bank, N.A., Minneapolis, Minnesota, and its successors in that capacity.

"Previously Issued Bonds" shall mean the Outstanding City of Pearland, Texas, Water and Sewer System Adjustable Rate Revenue Bonds, Series 1999, City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2003, the City of Pearland, Texas, Water and Sewer System Revenue and Refunding Bonds, Series 2006, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2007, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2008, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2009, the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2010A, the City of Pearland, Texas, Water and Sewer System Revenue Refunding Bonds, Series 2010B, the City of Pearland, Texas Water and Sewer System Revenue and Refunding Bonds, Series 2012, the City of Pearland, Texas Water and Sewer System Revenue Bonds, Series 2014 and the City of Pearland, Texas Water and Sewer System Revenue Bonds, Series 2016A.

"Purchaser" shall mean the Texas Water Development Board.

"Record Date" shall mean, with respect to any Interest Payment Date, the fifteenth day of the month, whether or not a Business Day, next preceding each Interest Payment Date.

"Register" shall mean the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner of Series 2016C Bonds.

"Series 2016C Bonds" shall mean the City of Pearland, Texas, Water and Sewer System Revenue Bonds, Series 2016C, authorized by this Ordinance.

"Special Project" shall mean, to the extent permitted by law, any water or sewer system property, improvement or facility declared by the City not to be part of the System, for which the costs of acquisition, construction, and installation are paid from proceeds of a financing transaction other than the issuance of bonds payable from ad valorem taxes or revenues of the System and for which all maintenance and operation expenses are payable from sources other than ad valorem taxes or revenues of the System, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction, and installation under such financing transaction.

"Subordinate Lien Obligations" shall mean the obligations permitted to be issued by the City pursuant to Section 6.2 hereof.

"Surety Policy" shall mean and include a surety bond, bond insurance policy or other credit agreement, as authorized by Section 1502.064, Texas Government Code, provided that the issuer of any Surety Policy shall be rated in the highest rating category at the time of issuance of such Surety Policy by A.M. Best Company, Standard & Poor's Ratings Group, or Moody's Investors Service. A Surety Policy shall insure all Bonds and Additional Bonds on a pro rata basis. A Surety Policy may include a letter of credit or other agreement or instrument, including any related reimbursement or financial guaranty agreement, whereby the issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

"System" shall mean all properties, facilities, improvements, equipment, interests, rights and powers constituting the water and sewer system of the City, and all future extensions, replacements, betterments, additions, improvements, enlargements, acquisitions, purchases and repairs to the System, including without limitation, all those heretofore or hereafter acquired as a result of the annexation and dissolution of water districts or the acquisition of the properties or assets of any other public, private or non-profit entities. The System shall not include any Special Project.

Section 2.2. Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance and the Table of Contents of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Series 2016C Bonds and the validity of the lien on and pledge of the Net Revenues to secure the payment of the Series 2016C Bonds.

ARTICLE III
TERMS OF THE SERIES 2016C BONDS

Section 3.1. Name, Amount, Purpose, Authorization. The City of Pearland, Texas Water and Sewer System Revenue Bonds, Series 2016C shall be issued in fully registered form, without coupons, in the aggregate principal amount of Fifty Million One Hundred Thousand Dollars ($50,100,000) for the purposes of (i) constructing certain repairs, improvements, additions and extensions to the System, and (ii) payment of expenses of issuance of the Series 2016C Bonds, all under and pursuant to the authority of the Act and all other applicable law.

Section 3.2. Numbers, Date and Denomination. The Series 2016C Bonds shall be initially issued bearing the numbers, in the principal amounts and bearing interest at the rates set forth in Section 3.3 hereof. The Series 2016C Bonds shall be dated as of July 28, 2016 and shall be issued in denominations of $5,000 of principal amount or any integral multiple thereof.

Section 3.3. Interest Payment Dates, Interest Rates and Maturities. The Series 2016C Bonds shall bear interest from the later of the date of delivery of the Series 2016C Bonds to the Purchaser, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate or rates per annum set forth below, calculated on the basis of a 360-day

year composed of twelve 30-day months and payable semiannually on March 1 and September 1 of each year, commencing March 1, 2017, until maturity or prior redemption.

The Series 2016C Bonds shall mature and become payable on the dates and in the respective principal amounts set forth below, subject to prior redemption as set forth in this Ordinance:

Bond Number	Maturity (09/01)	Principal Amount	Interest Rate
R-1	2017	$1,860,000	0.000%
R-2	2018	1,860,000	0.000
R-3	2019	1,860,000	0.000
R-4	2020	1,860,000	0.000
R-5	2021	1,855,000	0.000
R-6	2022	1,700,000	0.000
R-7	2023	1,700,000	0.090
R-8	2024	1,700,000	0.200
R-9	2025	1,700,000	0.320
R-10	2026	1,700,000	0.430
R-11	2027	1,700,000	0.540
R-12	2028	1,700,000	0.590
R-13	2029	1,700,000	0.640
R-14	2030	1,700,000	0.700
R-15	2031	1,700,000	0.760
R-16	2032	1,700,000	0.820
R-17	2033	1,700,000	0.870
R-18	2034	1,700,000	0.920
R-19	2035	1,700,000	0.960
R-20	2036	1,700,000	1.000
R-21	2037	1,700,000	1.020
R-22	2038	1,700,000	1.040
R-23	2039	1,700,000	1.060
R-24	2040	1,700,000	1.070
R-25	2041	1,700,000	1.080
R-26	2042	1,700,000	1.090
R-27	2043	1,700,000	1.100
R-28	2044	1,700,000	1.110
R-29	2045	1,705,000	1.120

Section 3.4. Redemption Prior to Maturity.

(a) *Optional Redemption* - The City reserves the right, at its option, to redeem prior to maturity Series 2016C Bonds maturing on or after September 1, 2026, in inverse order of maturity, in whole or in part, in principal installments of $5,000 or any integral multiple thereof, on September 1, 2025, or any date thereafter, at a price equal to the

principal amount of the Series 2016C Bonds or portions thereof called for redemption plus accrued interest to the date of redemption.

(b) Series 2016C Bonds may be redeemed only in integral multiples of $5,000 of principal amount. If a Series 2016C Bond subject to redemption is in a denomination larger than $5,000, a portion of such Series 2016C Bond may be redeemed, but only in integral multiples of $5,000. In selecting portions of Series 2016C Bonds for redemption, the Registrar shall treat each Series 2016C Bond as representing that number of Series 2016C Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Series 2016C Bond by $5,000. Upon surrender of any Series 2016C Bond for redemption in part, the Registrar, in accordance with Section 3.13 hereof, shall authenticate and deliver in exchange therefor a Series 2016C Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Series 2016C Bond so surrendered.

(c) Not less than thirty (30) days prior to a redemption date for the Series 2016C Bonds, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the City to each Owner of a Series 2016C Bond to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which Series 2016C Bonds are to be surrendered for payment and, if less than all Series 2016C Bonds outstanding are to be redeemed, the numbers of Series 2016C Bonds or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Series 2016C Bonds or portions thereof to be redeemed. When Series 2016C Bonds have been called for redemption in whole or in part and notice of redemption has been given as herein provided, the Series 2016C Bonds or portions thereof so redeemed shall no longer be regarded to be outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue or compound after the redemption date on any Series 2016C Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Section 3.5. Manner of Payment, Characteristics, Execution and Authentication. The Paying Agent/Registrar shall be the paying agent for the Series 2016C Bonds. The Series 2016C Bonds shall be payable, shall have the characteristics, shall be signed and executed, shall be sealed, and shall be authenticated, all as provided Form of Bond included as Exhibit A to this Ordinance. The Series 2016C Bonds initially delivered shall also have attached or affixed to each such Series 2016C Bond the registration certificate of the Comptroller of Public Accounts of the State of Texas.

The Series 2016C Bonds shall be signed on behalf of the City by the Mayor and countersigned by the City Secretary by their manual, lithographed, or facsimile signatures thereon. Such facsimile signature on the Series 2016C Bonds shall have the same effect as if each of the Series 2016C Bonds had been signed manually and in person by each of said

officials. If any officer of the City whose manual or facsimile signature shall appear on the Series 2016C Bonds, as provided in the Form of Bond included as Exhibit A hereto, shall cease to be such officer before the authentication of the Series 2016C Bonds or before the delivery of the Series 2016C Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

The approving legal opinion of Andrews Kurth LLP, Houston, Texas, Bond Counsel, may be printed on the Series 2016C Bonds over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Series 2016C Bonds, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Series 2016C Bonds.

Section 3.6. Approval by Attorney General; Registration by Comptroller. The Initial Series 2016C Bond shall be delivered to the Attorney General of the State of Texas for examination and approval and shall be registered by the Comptroller of Public Accounts of the State of Texas. The manually executed registration certificate of such Comptroller substantially in the form provided in Exhibit A of this Ordinance shall be affixed or attached to the Initial Series 2016C Bonds.

Section 3.7. Authentication. Except for the Series 2016C Bonds to be initially issued, which need not be authenticated, only such Series 2016C Bonds as shall bear thereon a certificate of authentication substantially in the form provided in Exhibit A of this Ordinance, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Series 2016C Bond so authenticated was delivered by the Paying Agent/Registrar hereunder.

Section 3.8. Special Record Date. If interest on any Series 2016C Bond is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a "Special Record Date." The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Registered Owner of an affected Series 2016C Bond as of the close of business on the day prior to the mailing of such notice.

Section 3.9. Ownership. Subject to the further provisions of this Section, the City, the Paying Agent/Registrar, and any other person may treat the person in whose name any Series 2016C Bond is registered on the Register as the absolute Owner of such Series 2016C Bond for the purpose of making and receiving payment of the principal of or interest on such Series 2016C Bond, and for all other purposes, whether or not such Series 2016C Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Series 2016C Bond in accordance with this Section 3.9 shall be valid and effectual and shall discharge the liability of

the City and the Paying Agent/Registrar upon such Series 2016C Bond to the extent of the sums paid.

Section 3.10. Book-Entry Only System. The definitive Series 2016C Bonds shall be initially issued in the form of a separate single fully registered Series 2016C Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2016C Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.12 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

With respect to Series 2016C Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2016C Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2016C Bonds, (b) the delivery to any DTC Participant or any other person, other than a Registered Owner of a Series 2016C Bond, as shown on the Register, of any notice with respect to the Series 2016C Bonds, including any notice of redemption or (c) the payment to any DTC Participant or any other person, other than a Registered Owner of a Series 2016C Bond as shown in the Register, of any amount with respect to principal of Series 2016C Bonds, premium, if any, or interest on the Series 2016C Bonds.

Except as provided in Section 3.11 of this Ordinance, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2016C Bond is registered in the Register as the absolute owner of such Series 2016C Bond for the purpose of payment of principal of, premium, if any, and interest on Series 2016C Bonds, for the purpose of giving notices of redemption and other matters with respect to such Series 2016C Bond, for the purpose of registering transfer with respect to such Series 2016C Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of Series 2016C Bonds, premium, if any, and interest on the Series 2016C Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2016C Bonds to the extent of the sum or sums so paid. No person other than an owner shall receive a Series 2016C Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance.

Section 3.11. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, as long as any Series 2016C Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2016C Bonds, and all notices with respect to such

Series 2016C Bonds shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

Section 3.12. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC, and that it is in the best interest of the beneficial owners of the Series 2016C Bonds that they be able to obtain certificated Series 2016C Bonds, the City or the Paying Agent/Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Series 2016C Bonds to such successor securities depository or (b) notify DTC of the availability through DTC of Series 2016C Bonds and transfer one or more separate Series 2016C Bonds to DTC Participants having Series 2016C Bonds credited to their DTC accounts. In such event, the Series 2016C Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names a Registered Owner of a Series 2016C Bond transferring or exchanging Series 2016C Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.13. Registration, Transfer, and Exchange. The Paying Agent/Registrar shall keep the Register at its principal corporate trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Series 2016C Bonds in accordance with the terms of this Ordinance.

Each Series 2016C Bond shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Series 2016C Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Series 2016C Bond or Series 2016C Bonds, registered in the name of the transferee or transferees, in the same maturity and aggregate principal amount and bearing interest at the same rate as the Series 2016C Bond or Series 2016C Bonds so presented.

All Series 2016C Bonds shall be exchangeable upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar for a Series 2016C Bond or Series 2016C Bonds of the same maturity in any authorized denomination and interest rate, in an aggregate amount equal to the unpaid principal amount of the Series 2016C Bond or Series 2016C Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Series 2016C Bonds in accordance with the provisions of this Section 3.11. Each Series 2016C Bond delivered in accordance with this Section 3.11 shall be entitled to the benefits and security of this Ordinance to the same extent as the Series 2016C Bond or Series 2016C Bonds in lieu of which such Series 2016C Bond is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Series 2016C Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Series 2016C Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

The Paying Agent/Registrar shall not be required to transfer or exchange any Series 2016C Bond called for redemption in whole or in part during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that this restriction shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of a Series 2016C Bond called for redemption in part.

Section 3.14. Cancellation of Series 2016C Bonds. All Series 2016C Bonds paid or redeemed in accordance with this Ordinance, and all Series 2016C Bonds in lieu of which exchange Series 2016C Bonds or replacement Series 2016C Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall furnish the City with appropriate certificates of destruction of such Series 2016C Bonds.

Section 3.15. Mutilated, Lost, or Stolen Series 2016C Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Series 2016C Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Series 2016C Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar.

If any Series 2016C Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas, and in the absence of notice or knowledge that such Series 2016C Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver, a replacement Series 2016C Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner thereof shall have:

(a) furnished to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Series 2016C Bond;

(b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that may be imposed; and

(d) met any other reasonable requirements of the City and the Paying Agent/Registrar.

If, after the delivery of such replacement Series 2016C Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Series 2016C Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Series 2016C Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed, or wrongfully taken Series 2016C Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Series 2016C Bond, authorize the Paying Agent/Registrar to pay such Series 2016C Bond.

Each replacement Series 2016C Bond delivered in accordance with this Section 3.13 shall be entitled to the benefits and security of this Ordinance to the same extent as the Series 2016C Bond or Series 2016C Bonds in lieu of which such replacement Series 2016C Bond is delivered.

ARTICLE IV
FORM OF SERIES 2016C BONDS AND CERTIFICATES

Section 4.1. Forms. The form of the Series 2016C Bonds, including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment, the form of the Comptroller's Registration Certificate and the form of the Statement of Insurance, if any, which shall be attached or affixed to the Initial Series 2016C Bonds, shall be, respectively, as described in Exhibit A to this Ordinance, with such additions, deletions, and variations as may be necessary or desirable and not prohibited by this Ordinance.

Section 4.2. Legal Opinion; CUSIP Numbers. The approving legal opinion of Andrews Kurth LLP, Houston, Texas, Bond Counsel, may be printed on the Series 2016C Bonds over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Series 2016C Bonds, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Series 2016C Bonds.

ARTICLE V
SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

Section 5.1. Pledge and Source of Payment. The City hereby covenants and agrees that Gross Revenues of the System shall, as collected and received by the City, be deposited and paid into the special funds hereinafter established, and shall be applied in the manner hereinafter set forth, in order to provide for the payment of all Maintenance and Operation Expenses and to provide for the payment of principal of, interest on and any redemption premiums on the Bonds and all expenses of paying same; and to provide for the disposition of the remaining Net Revenues. The Bonds shall constitute special obligations of the City that shall be payable solely from and shall be equally and ratably secured by a first lien on and pledge of the Net Revenues as collected and received by the City from the operation and ownership of the System, which Net

Revenues shall, in the manner herein provided, be set aside for and are hereby pledged to the payment of the Bonds in the Interest and Sinking Fund and the Reserve Fund as hereinafter provided, and the Bonds shall be, in all respects, on a parity with and of equal dignity with one another. The Owners of the Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Bonds out of any funds raised or to be raised by taxation.

Section 5.2. Rates and Charges. So long as any Bonds remain Outstanding, the City shall fix, charge and collect rates and charges for the use and services of the System which are calculated to be fully sufficient to produce Net Revenues in each Fiscal Year at least equal to 115% of the principal and interest requirements scheduled to occur in such Fiscal Year on all Bonds then Outstanding, plus an amount equal to the sum of all deposits required to be made to the Reserve Fund in such Fiscal Year (but in no event shall Net Revenues ever be less than the amount required to establish and maintain the Interest and Sinking Fund and the Reserve Fund as hereinafter provided) and, to the extent that funds for such purpose are not otherwise available, to pay all other outstanding obligations payable from the Net Revenues of the System, including all amounts owed by the City to a provider of a Surety Policy, if any, as and when the same become due. For the purpose of complying with its obligation to fix, charge and collect rates and charges, as herein provided, the City shall be entitled to rely on the certificate described in Section 6.1 of this Ordinance, as therein provided, in determining the amount of interest anticipated to be paid in respect of Bonds bearing interest at a variable rate.

The City will not grant or permit any free service from the System, except for public buildings and institutions operated by the City. In addition, the City will not grant or permit any free service from the System permitted by the previous sentence if to do so would violate any condition or covenant to which the City is bound in connection with any federal grant agreement or otherwise.

Section 5.3. Special Funds. The following "Special Funds" shall be established, maintained and accounted for as hereinafter provided so long as any of the Bonds remain Outstanding:

(a) Revenue Fund;

(b) Interest and Sinking Fund; and

(c) Reserve Fund.

All of such Funds shall be maintained as separate accounts on the books of the City. The Interest and Sinking Fund and the Reserve Fund shall constitute trust funds which shall be held in trust for the Owners of the Bonds and the proceeds of which shall be pledged to the payment of the Bonds. All of the Funds named above shall be used solely as herein provided so long as any Bonds remain Outstanding.

Section 5.4. Flow of Funds. Gross Revenues of the System shall be deposited as collected into the Revenue Fund. Moneys from time to time on deposit to the credit of the Revenue Fund shall be applied in the following manner and in the following order of priority:

(a) First, to pay Maintenance and Operation Expenses and to provide by encumbrance for the payment of all obligations incurred by the City for Maintenance and Operation Expenses and to establish and maintain an operating reserve equal to one month's estimated Maintenance and Operation Expenses;

(b) Second, to make all deposits into the Interest and Sinking Fund required by any ordinance authorizing the issuance of Bonds;

(c) Third, to reimburse the provider of a Surety Bond any amounts advanced under such Surety Bond;

(d) Fourth, to pay interest to any provider of a Surety Bond any amounts advanced under such Surety Bond;

(e) Fifth, to make all deposits into the Reserve Fund required by any ordinance authorizing the issuance of Bonds;

(f) Sixth, to make all deposits, as may be required by any ordinance of the City authorizing the issuance of certain Subordinate Lien Obligations described in Section 6.2 hereof, in order to provide for the payment of and security for such Subordinate Lien Obligations; and

(g) Seventh, for any lawful purpose.

Section 5.5. Interest and Sinking Fund. On or before the last Business Day of each month so long as any Bonds remain Outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses, there shall be transferred into the Interest and Sinking Fund from the Revenue Fund the following amounts:

(a) Such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the interest scheduled to become due on the Bonds on the next Interest Payment Date; and

(b) Such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the next maturing principal of the Bonds (i.e., the principal amount payable on the next September 1), including the principal amounts of, and any redemption premiums on, any Bonds payable as a result of the operation or exercise of any mandatory or optional redemption provision contained in any ordinance authorizing the issuance of Bonds.

Whenever the total amounts on deposit to the credit of the Interest and Sinking Fund and the Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all Outstanding Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further payments need be made into the Interest and Sinking Fund or the Reserve Fund, and such Bonds shall not be regarded as being Outstanding except for the purpose of being paid with the moneys on deposit in such Funds.

Moneys deposited to the credit of the Interest and Sinking Fund shall be used solely for the purpose of paying principal (at maturity, prior redemption or tender, or to purchase Bonds in the open market to be credited against mandatory redemption requirements), interest and redemption premiums on the Bonds, plus all bank charges and other costs and expenses relating to such payment.

On or before each date principal becomes due and/or each Interest Payment Date on the Bonds, the City shall transfer from the Interest and Sinking Fund to the Paying Agent for the Bonds an amount equal to the principal of, interest on and any redemption premiums payable on the Bonds on such date, together with an amount equal to all bank charges and other costs and expenses relating to such payment. The Paying Agent shall destroy all paid Bonds and shall provide the City with an appropriate certificate of destruction.

Section 5.6. Reserve Fund. On or before the last Business Day of each month so long as any Bonds remain Outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses and after making all required transfers into the Interest and Sinking Fund, there shall be transferred into the Reserve Fund from the Revenue Fund amounts equal to one-sixtieth (1/60th) of the Average Annual Principal and Interest Requirements on the Bonds unless or until there has been accumulated in the Reserve Fund money and investments in an aggregate amount at least equal to the Average Annual Principal and Interest Requirements on the Bonds; provided that additional deposits into the Reserve Fund sufficient to provide for the increased reserve requirements resulting from the issuance of any Additional Bonds shall be made by not later than 60 months from the date of issuance of such Additional Bonds as required by Section 6.1(d) hereof. Such additional deposits into the Reserve Fund in connection with the issuance of any Additional Bonds shall be made each month in amounts equal to one-sixtieth (1/60th) of the Average Annual Principal and Interest Requirements on the Bonds and such Additional Bonds. After such amount has accumulated in the Reserve Fund and so long thereafter as such fund contains such amount, no further deposits shall be required to be made into the Reserve Fund, and any excess amounts in the Fund may be transferred to the Revenue Fund; but if and whenever the balance in the Reserve Fund is reduced below such amount, monthly deposits into such Fund shall be resumed and continued in amounts at least equal to one-twelfth (1/12th) of the Average Annual Principal and Interest Requirements on the Bonds until the Reserve Fund has been restored to such amount. The Reserve Fund shall be used to pay the principal of and interest on the Bonds at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose and it may be used finally to pay and retire the last Bonds to mature or be redeemed.

The requirements of the immediately preceding paragraph of this Section notwithstanding, the City may provide a Surety Policy or Policies issued in amounts equal to all or part of the Average Annual Principal and Interest Requirements on the Bonds in lieu of depositing cash into the Reserve Fund; provided, however, that no such Surety Policy may be so substituted unless (i) the ordinance authorizing the substitution of the Surety Policy for all or part of the Average Annual Principal and Interest Requirements on the Bonds contains a finding that such substitution is cost effective and (ii) the City obtains an opinion of nationally recognized bond counsel that such substitution is permitted by applicable Texas law then in effect. If a Surety Policy or Policies are issued in accordance with the preceding sentence, such Surety Policy or Policies shall be drawn upon and reimbursed on a pro rata basis.

In the event a Surety Policy issued to satisfy all or a part of the City's obligation with respect to the Reserve Fund causes the amount then on deposit in the Reserve Fund to exceed the Average Annual Principal and Interest Requirements on all Bonds, the City may transfer such excess amount to any fund or funds established for the payment of or security for Bonds or any Subordinate Lien Obligations (including any escrow established for the final payment of any such obligations pursuant to Chapter 1207, Texas Government Code); provided, however, that no funds constituting bond proceeds shall be transferred for the benefit of the Subordinate Lien Obligations.

Section 5.7. Deficiencies in Funds. If in any month there shall not be deposited into any fund maintained pursuant to this Article the full amounts required hereinabove, amounts equivalent to such deficiency shall be set apart and paid into such Special Fund or Funds from the first available and unallocated moneys in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during any succeeding month or months. To the extent necessary, the rates and charges for the System shall be increased to make up for any such deficiencies.

Section 5.8. Investment of Funds; Transfer of Investment Income.

(a) Money in the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund may, at the option of the City, be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments with any national bank) that the money required to be expended from any Special Fund will be available at the proper time or times, and provided further that in no event shall such deposits or investments of moneys in the Reserve Fund mature later than the final maturity date of the Bonds. All such investments shall be valued in terms of current market value no less frequently than the last Business Day of the City's Fiscal Year, except that any direct obligations of the United States of America - State and Local Government Series shall be continuously valued at their par value or principal face amount. Any obligation in which money is so invested shall be kept and held in an official depository of the City, except as hereinafter provided. For purposes of maximizing investment returns, money in such funds may be invested, together with money in other funds or with other money of the City, in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository of the City, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such fund are held by or on behalf of each such fund. If necessary, such investments shall be promptly sold to prevent any default.

(b) All interest and income derived from such deposits and investments shall be credited monthly to the Special Fund from which such investment was made.

Section 5.9. Security for Uninvested Funds. So long as any Bonds remain Outstanding, all uninvested moneys on deposit in, or credited to, the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund shall be secured by the pledge of security as provided by law for cities in the State of Texas.

ARTICLE VI
ADDITIONAL BONDS

Section 6.1. Additional Bonds. The City reserves the right to issue, for any lawful purpose, including the refunding of any previously issued Bonds or any other bonds or obligations of the City issued in connection with the System or payable from Net Revenues, one or more series of Additional Bonds on a parity with the Outstanding Bonds and any Additional Bonds then Outstanding, payable from, and secured by a first lien on, the Net Revenues of the System; provided, however, that no Additional Bonds may be issued unless:

(a) All Additional Bonds shall mature only on September 1 and interest thereon shall be payable only on March 1 and September 1;

(b) The Interest and Sinking Fund and the Reserve Fund each contains the amount of money then required to be on deposit therein;

(c) For either the preceding Fiscal Year or any consecutive 12-month period out of the 15-month period immediately preceding the month in which the bond ordinance authorizing such Additional Bonds is adopted (the "Base Period") either:

(1) Net Revenues are certified by the Director of Finance of the City to have been equal to at least one hundred and forty percent (140%) of the Average Annual Principal and Interest Requirements on all Bonds, after giving effect to the issuance of the Additional Bonds to be issued; or

(2) Net Revenues, adjusted to give effect to any rate increase or annexation of territory placed into effect or consummated prior to the adoption of the ordinance authorizing the Additional Bonds to the same extent as if such rate increase or annexation had been placed into effect or consummated prior to the commencement of the Base Period, would have been equal to at least the amount required in paragraph (1) above, as certified by an independent consulting engineer or independent firm of consulting engineers;

Provided, however, that this requirement shall not apply to the issuance of any series of Additional Bonds for refunding purposes that will not have the result of increasing the average annual principal and interest requirements on the Bonds; and

(d) Provision is made in the bond ordinance authorizing the Additional Bonds then proposed to be issued for (1) additional payments into the Interest and Sinking Fund sufficient to provide for the payment of the increased principal of and interest on the Bonds resulting from the issuance of such Additional Bonds, and (2) additional payments into the Reserve Fund sufficient to provide for the accumulation therein of the increased

reserve requirement resulting from the issuance of such Additional Bonds, by not later than sixty (60) months from the date of issuance of such Additional Bonds.

The provisions of this Section 6.1(a) notwithstanding, the City may issue Additional Bonds that bear interest at a variable rate. Such variable rate bonds may mature on dates other than September 1 and interest thereon may be payable on dates other than March 1 or September 1; provided that the issuance of Additional Bonds as variable rate bonds may not cause the total amount of Outstanding Bonds that are variable rate bonds to exceed 50% (20% as long as the *Series 1999 Bonds* shall remain outstanding) of the aggregate principal amount of all Outstanding Bonds and Subordinate Lien Obligations at the time of such issuance. For purposes of calculating the funding requirements for the Reserve Fund and for the purposes of calculating compliance with the conditions precedent to the issuance of Additional Bonds pursuant to Section 6.1(c) and the rate covenant set forth in Section 5.2, any Bonds that are variable rate bonds shall be assumed to bear interest at a rate which shall be estimated and certified by the financial advisor to the City as the rate that would be borne by such variable rate bonds if they were at the date of such certification issued as Bonds bearing a fixed rate of interest to their scheduled maturity or maturities.

Section 6.2. Subordinate Lien Obligations. The City reserves the right to issue, for any lawful purpose, bonds, notes or other obligations secured in whole or in part by liens on the Net Revenues that are junior and subordinate to the lien on Net Revenues securing payment of the Bonds. Such Subordinate Lien Obligations may be further secured by any other source of payment lawfully available for such purposes. In the event that the City should decide to issue such Subordinate Lien Obligations as variable rate bonds, for purposes of calculating the funding requirements for the reserve fund for such Subordinate Lien Obligations, the variable rate bonds shall be assumed to bear interest at the rate of 10% per annum, and for purposes of calculating compliance with any conditions precedent to the issuance of additional Subordinate Lien Obligations and any rate covenants relating to such Subordinate Lien Obligations, the variable rate bonds shall be assumed to bear interest at the higher of 9% per annum or the highest variable rate over the preceding twenty-four (24) months.

Deposits may be made pursuant to Section 5.4(f) of this Ordinance into such funds as may be created and maintained for the payment of and security for Subordinate Lien Obligations described in this Section (including a reserve fund not to exceed the Average Annual Principal and Interest Requirements on such Subordinate Lien Obligations and any provisions for curing deficiencies in such funds), but only to the extent that the aggregate Outstanding principal amount of such Subordinate Lien Obligations does not exceed 50% of the aggregate principal amount of Bonds and Subordinate Lien Obligations Outstanding on the date of such calculation.

Section 6.3. Special Project Bonds. The City reserves the right to issue revenue bonds secured by liens on and pledges of revenues and proceeds derived from Special Projects.

ARTICLE VII
COVENANTS AND PROVISIONS
RELATING TO BONDS

Section 7.1. Punctual Payment of Bonds. The City covenants that it will punctually pay or cause to be paid the interest on and principal of all Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Ordinance and in any other ordinance authorizing the issuance of such Bonds.

Section 7.2. Power to Own and Operate System; Ratemaking Power. The City covenants that it has all necessary power and authority to own and operate the System as herein described and provided and that it possesses, and shall exercise, all necessary power and authority to establish, fix, increase, impose and collect rates and charges for the use and services of the System in the amounts required to comply with the covenants and provisions contained herein.

Section 7.3. Maintenance of System. So long as any Bonds remain Outstanding, the City covenants that it will at all times maintain the System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the System, the City will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative or judicial body promulgating same, noncompliance with which would materially and adversely affect the operation of the System.

Section 7.4. Sale or Encumbrance of System. So long as any Bonds remain Outstanding, the City covenants that it will not sell, dispose of or, except as permitted in Article VI, further encumber the System; provided, however, that this provision shall not prevent the City from disposing of any portion of the System which is being replaced or is deemed by the City to be obsolete, worn out, surplus or no longer needed for the proper operation of the System. Net proceeds from any such disposition may be deposited in the Revenue Fund and, notwithstanding any other provision contained herein, shall be used only for System purposes. Any agreement pursuant to which the City contracts with a person, corporation, municipal corporation or political subdivision to operate the System or to lease and/or operate all or part of the System shall not be considered as an encumbrance of the System.

Section 7.5. Insurance. The City covenants that it will keep the System insured with insurers of good standing, against risks, accidents or casualties against which and to the extent customarily insured against by political subdivisions of the State of Texas operating similar properties, to the extent that such insurance is available. All net proceeds of such insurance shall be applied to repair or replace any insured property that is damaged or destroyed, or shall be deposited in the Revenue Fund, or shall be used to redeem Outstanding Bonds. The cost of all such insurance, together with any additional insurance, shall be a part of the Maintenance and Operation Expenses.

Section 7.6. Accounts, Records and Audits. So long as any Bonds remain Outstanding, the City covenants that it will maintain a proper and complete system of records and accounts pertaining to the operation of the System in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof. The City shall, after the close of each Fiscal Year, prepare financial statements of the System, and have those financial statements audited by an independent certified public accountant or independent firm of certified public accountants. After the audit, the City shall furnish a copy of these audited financial statements, together with the independent certified public accountant's report thereon, without cost, to the Municipal Advisory Council of Texas, the major municipal rating agencies, and any Owners of Bonds who shall request the same. All expenses incurred in preparing such audits shall be Maintenance and Operation Expenses.

Section 7.7. Competition. To the extent it legally may, the City covenants that it will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System and will prohibit the operation of any such competing facilities to the extent that such competing facilities would impair the City's ability to pay principal of or interest on the Bonds.

Section 7.8. Pledge and Encumbrance of Net Revenues. The City covenants that it has the lawful power to create a lien on and to pledge the Net Revenues to secure the payment of the Bonds, and has lawfully exercised such power under the Constitution and laws of the State of Texas. The City further covenants that, other than to the payment of the Bonds, the Net Revenues are not and will not be made subject to any other lien, pledge or encumbrance to secure the payment of any debt or obligation of the City, unless such lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the Bonds.

Section 7.9. Covenants with Respect to Certain Assumed Water District Bonds. So long as any Bonds remain Outstanding, the City covenants as follows:

(a) To the extent it legally may, the City will impose, and strictly enforce, the requirement upon all water districts located within the City's extraterritorial jurisdiction that any bonds issued by such water districts which are secured in whole or in part by pledges of or liens on water or sewer system revenues shall provide that all such pledges of and liens on water or sewer system revenues shall automatically terminate upon the annexation and dissolution of the district by the City;

(b) The City shall use its best efforts to redeem, refund or defease all annexed water district bonds assumed by the City which by their own terms are secured in whole or in part by pledges of or liens on water or sewer system revenues which do not terminate upon annexation and dissolution by the City of such water district, or otherwise to provide for the discharge of such pledges or liens on water or sewer system revenues; and

(c) Pursuant to Section 43.075, Texas Local Government Code (successor to Article 1182c-1, Vernon's Texas Civil Statutes, as amended), the City shall, unless it has theretofore made adequate provision for the payment thereof, annually levy and cause to

be collected taxes upon all taxable property of the City sufficient to pay principal of and interest, as they respectively become due and payable, on all assumed bonds, warrants and other obligations that were issued by water districts that have been annexed to, and dissolved by, the City, and which are by their own terms secured in whole or in part by a lien on or pledge of water or sewer system revenues which did not terminate upon the annexation and dissolution by the City of such water district.

Section 7.10. Registered Owners' Rights and Remedies. This Ordinance shall constitute a contract between the City and the Owners of the Series 2016C Bonds from time to time Outstanding and this Ordinance shall be and remain irrepealable until the Series 2016C Bonds and the interest thereon shall be fully paid or discharged or provision therefor shall have been made as provided herein. In the event of a default in the payment of the principal of or interest on any of the Series 2016C Bonds or a default in the performance of any duty or covenant provided by law or in this Ordinance, the Owner or Owners of any of the Series 2016C Bonds may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the City to remedy such default and to prevent further default or defaults. Without in any way limiting the generality of the foregoing, it is expressly provided that any Owner of any of the Series 2016C Bonds may at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required to be performed by the City under this Ordinance, including the making and collection of reasonable and sufficient rates and charges for the use and services of the System, the deposit of the revenues thereof into the Special Funds herein provided, and the application of such revenues in the manner required in this Ordinance.

Section 7.11. Defeasance. The City may defease the provisions of this Ordinance and discharge its obligations to the Registered Owners of any or all of the Series 2016C Bonds to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar or with the State Treasurer of the State of Texas either:

(a) cash in an amount equal to the principal amount of such Series 2016C Bonds plus interest thereon to the date of maturity or redemption; or

(b) pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the

holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption;

provided, however, that if any of the Series 2016C Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. Upon such deposit, such Series 2016C Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

Section 7.12. Legal Holidays. In any case where the date of maturity of interest on or principal of the Series 2016C Bonds or the date fixed for redemption of any Series 2016C Bonds shall be in the City a legal holiday or a day on which the Paying Agent/Registrar for the Series 2016C Bonds is authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding day not in the City a legal holiday or a day on which such Paying Agent Registrar is authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment.

Section 7.13. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar (or paying agent) for the Series 2016C Bonds shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

Section 7.14. No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Series 2016C Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Series 2016C Bonds.

Section 7.15. Amendment to Ordinance. The City may, with the consent of Owners holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE VIII
CONCERNING THE PAYING AGENT/REGISTRAR

Section 8.1. Acceptance. Wells Fargo Bank, N.A., Minneapolis, Minnesota, is hereby appointed as the initial Paying Agent/Registrar for the Series 2016C Bonds. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of fees and/or deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance. The registration of and payment of the principal of, premium, if any, and interest on the Series 2016C Bonds when due shall be effectuated pursuant to the terms of a Paying Agent/Registrar Agreement to be entered into by and between the City and the Paying Agent/Registrar, which shall be substantially in the form attached hereto as Exhibit B, the terms and provisions of which are hereby approved, and the Mayor and/or the Mayor Pro Tem are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest and affix the City's seal thereto.

Section 8.2. Fiduciary Account. All money transferred to the Paying Agent/Registrar under this Ordinance (except sums representing Paying Agent/Registrar's fees) shall be held in a fiduciary account for the benefit of the City, shall be the property of the City, and shall be disbursed in accordance with this Ordinance.

Section 8.3. Bonds Presented. Subject to the provisions of Section 8.4, all matured Series 2016C Bonds properly and timely presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Series 2016C Bonds shall be canceled as provided herein.

Section 8.4. Series 2016C Bonds Not Timely Presented. The Paying Agent/Registrar shall remit to the City, upon receipt of the certificate provided for herein, a sum equal to the aggregate face amount of all Series 2016C Bonds which have not been presented for payment prior to the date specified in such certificate. Such certificate shall:

(a) Specify the Series 2016C Bonds or portions thereof to which it applies and the amount of each;

(b) Specify the date on which the City believes itself to be no longer obligated to pay such Series 2016C Bonds or portions thereof by virtue of the expiration of the applicable statute of limitations under the laws of the State of Texas; and

(c) Be signed by the Mayor and attested by the City Secretary.

Funds held by the Paying Agent/Registrar that represent principal of and interest on the Series 2016C Bonds remaining unclaimed by any Registered Owner after the expiration of three years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such provisions do not apply to the funds, such funds shall be paid by the Paying

Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City.

The Paying Agent/Registrar shall have no liability to the Owners of the Series 2016C Bonds by virtue of actions taken in compliance with this Section.

Section 8.5. Paying Agent/Registrar May Own Series 2016C Bonds. The Paying Agent/Registrar in its individual or any other capacity, may become the Owner or pledgee of Series 2016C Bonds with the same rights it would have if it were not the Paying Agent/Registrar.

Section 8.6. Successor Paying Agents/Registrars. The City covenants that at all times while any Series 2016C Bonds are Outstanding it will provide a legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar for the Series 2016C Bonds. If the Paying Agent/Registrar or its successor for any reason no longer acts as Paying Agent/Registrar hereunder, the City covenants that it will appoint a bank in the same city as the Paying Agent/Registrar initially appointed to perform the duties of Paying Agent/Registrar hereunder. Any successor Paying Agent/Registrar shall be either a national or state banking institution, and a corporation organized and doing business under the laws of the United States of America or any state, which is authorized under such laws to exercise trust powers and is subject to supervision or examination by federal or state authority.

The City reserves the right to change the Paying Agent/Registrar for the Series 2016C Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Series 2016C Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar and the new Paying Agent/Registrar shall notify each Registered Owner, by first-class mail, postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

ARTICLE IX
TAX EXEMPTION

Section 9.1. Covenants to Maintain Tax Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

"Computation Date" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Investment" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Issue Date" for each series or sub-series of the Series 2016C Bonds or other obligations of the City is the respective date on which such series or sub-series of the Series 2016C Bonds or other obligations of the City is delivered against payment therefor.

"Net Sale Proceeds" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Proceeds" has the meaning stated in Section 1.148-1(b) of the Regulations.

"Rebate Amount" has the meaning stated in Section 1.148-3 of the Regulations.

"Regulations" means the temporary or final Income Tax Regulations applicable to the Bonds issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Series 2016C Bonds.

"Yield of"

any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

the Series 2016C Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on such Series 2016C Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Series 2016C Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times after the Issue Date of any Series 2016C Bond and prior to the last stated maturity of the Series 2016C Bonds

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of such Series 2016C Bond and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of such Series 2016C Bond or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall not use Gross Proceeds of such Series 2016C Bond to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of such Series 2016C Bond, directly or indirectly invest Gross Proceeds of such Series 2016C Bond in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Series 2016C Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Series 2016C Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to each converted series of the Series 2016C Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the City shall:

(1) account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other

funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Series 2016C Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,

(2) calculate the Rebate Amount with respect to such Series 2016C Bond not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least six years after the final Computation Date,

(3) as additional consideration for the purchase of the Series 2016C Bonds by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder, and

(4) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time after the Issue Date of the Series 2016C Bonds and prior to the earlier of the final stated maturity or final payment of the Series 2016C Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Series 2016C Bonds, not been relevant to either party.

ARTICLE X
CONTINUING DISCLOSURE UNDERTAKING

Section 10.1. Annual Reports. The City shall provide annually to the Municipal Securities Rulemaking Board (the "MSRB"), in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the City of the general type described in Exhibit E hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit E hereto and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided, then the City shall provide unaudited financial statements for the

applicable fiscal year by the required time, and audited financial statements when and if audited financial statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB's internet web site or (ii) filed with the SEC.

Section 10.2. Event Notices. The City shall notify the MSRB in a electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) days after the occurrence of the event), of any of the following events with respect to the Series 2016C Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2016C Bonds, or other material events affecting the tax status of the Series 2016C Bonds;

(g) Modifications to rights of holders of the Series 2016C Bonds, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution, or sale of property securing repayment of the Series 2016C Bonds, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the City;

(m) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional Paying Agent/Registrar or the change of name of Paying Agent/Registrar, if material.

For the purposes of the event identified in clause (l), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 10.1 of this Ordinance by the time required by such Section.

Section 10.3. Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an "obligated person" with respect to the Series 2016C Bonds within the meaning of the Rule, except that the City in any event will give the notice required by Section 10.2 of any Series 2016C Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Series 2016C Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2016C Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY SERIES 2016C BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT

OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Article is intended or shall act to disclaim, waive or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status or type of operations of the City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2016C Bonds in the primary offering of the Series 2016C Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Series 2016C Bonds consent to such amendment or (b) a person or entity that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Series 2016C Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 10.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Article in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2016C Bonds in the primary offering of the Series 2016C Bonds.

Section 10.4. Definitions. As used in this Article, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

ARTICLE XI
SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 11.1. Sale of Series 2016C Bonds. The sale of the Series 2016C Bonds to the Purchaser at a price of par, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor, Mayor Pro-Tem and all other

officials, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Bonds.

Section 11.2. Approval, Registration and Delivery. The Mayor and the City Secretary are hereby authorized to have control and custody of the Series 2016C Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor of the City, the City Secretary of the City, the City Manager of the City and other officers and employees of the City are hereby authorized, directed and instructed to make such certifications and to execute such instruments (including by printed facsimile signature, the Series 2016C Bonds) as may be necessary to accomplish the delivery of the Series 2016C Bonds and to assure the investigation, examination, and approval thereof by the Attorney General of Texas and the registration of the initial Series 2016C Bonds by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Series 2016C Bonds, the Comptroller of Public Accounts of the State of Texas (or a deputy designated in writing to act for him) shall be requested to sign manually the registration certificate prescribed herein to be attached or affixed to each Series 2016C Bond initially delivered and the seal of the Comptroller of Public Accounts of the State of Texas shall be impressed or printed or lithographed thereon. Delivery of the Series 2016C Bonds is subject to the unqualified approving opinion as to the legality of the Series 2016C Bonds of the Attorney General of Texas and of Andrews Kurth LLP, Houston, Texas, Bond Counsel.

Section 11.3. Offering Documents. The City Council hereby approves the form and content of the Private Placement Memorandum prepared in connection with the sale of the Series 2016C Bonds and presented to the City Council with this Ordinance and attached hereto as Exhibit D, and authorizes the distribution and delivery of the Private Placement Memorandum to the TWDB, as the purchaser of the Series 2016C Bonds.

Section 11.4. Application of Proceeds of Series 2016C Bonds. Immediately following the delivery of the Series 2016C Bonds and prior to the deposit of the proceeds from the sale of such Series 2016C Bonds in the Construction Fund established pursuant to Section 12.6 of this Ordinance, such proceeds (less any amounts used to pay costs of issuance) shall be held in trust and in escrow pursuant to the written escrow agreement described below pending written authorization to release said proceeds.

A "Special Escrow Deposit Agreement" by and between the City and Wells Fargo Bank, N.A. attached hereto as Exhibit C and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved as to form and content, and the Mayor and the City Secretary of the City are hereby authorized and directed to execute such agreement in substantially the same form and content herein approved.

Section 11.5. Related Matters. In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Mayor, the City Manager, the City Secretary, the Director of Finance and all other appropriate officers, agents, representatives and employees of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Series 2016C Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's

obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

Section 11.6. Control and Delivery of Series 2016C Bonds.

(a) The City Manager of the City is hereby authorized to have control of the Series 2016C Bonds and all necessary records and proceedings pertaining hereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State and registration with initial exchange or transfer by, the Paying Agent/Registrar.

(b) The Initial Series 2016C Bond(s) shall be the Series 2016C Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchaser. After registration by the Comptroller of Public Accounts, delivery of the Series 2016C Bonds shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) The Mayor, the City Manager, the Director of Finance of the City, and all other officers, employees, and agents of the City, and each of them, shall be and they are expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such agreements, certificates, and instruments, whether herein mentioned, as may be necessary or desirable to carry out the terms and provisions of this Ordinance, the bonds, the sale and delivery of the Series 2016C Bonds, the DTC Blanket Letter of Representations and the Official Statement. The City Council hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Series 2016C Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

ARTICLE XII
SPECIAL PROVISIONS RELATING TO THE TEXAS WATER DEVELOPMENT BOARD

Section 12.1. Compliance with the Texas Water Development Board's Rules and Regulations. The City will comply with all of the requirements contained in the resolution or resolutions adopted by the TWDB with respect to the issuance of the Series 2016C Bonds in the TWDB's rules, regulations and relevant statutes.

Section 12.2. Construction Fund; Timely Use of Proceeds. The proceeds of the Series 2016C Bonds shall be applied to establish at an official depository of the City a construction fund (the "Construction Fund"), which shall be kept separate from all other accounts and funds of the City. Monies on deposit in the Construction Fund shall be applied in accordance with the applicable requirements of the Texas Water Code and the rules and regulations of the TWDB. All funds deposited to the credit of the Construction Fund will be used in a timely and

expeditious manner, as required by federal statute and EPA regulations, and the City will adhere to the project schedule approved by the Executive Administrator.

Section 12.3. Records; Final Accounting. The City will keep and maintain full and complete records and accounts pertaining to the construction of the projects financed with the proceeds of sale of the Series 2016C Bonds, including the Construction Fund, in accordance with the standards set forth by the Government Accounting Standard Board. Within 60 days of completion, the City will submit to the TWDB a final accounting of the total costs of the projects financed with the Series 2016C Bonds.

Section 12.4. Annual Audit. So long as any Series 2016C Bonds are held by the TWDB, the City will annually submit to the TWDB's Executive Administrator, within 180 days of the end of the City's fiscal year, a copy of its annual audited financial statements prepared in accordance with generally acceptable auditing standards by a certified public accountant.

Section 12.5. Investment of Proceeds. Proceeds from the sale of the Series 2016C Bonds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.

Section 12.6. Surplus Proceeds. Any proceeds of the Series 2016C Bonds determined to be surplus funds remaining after completion of one or more of the projects described in Section 3.1 hereof shall be used for the following purposes as approved by the Executive Administrator of the TWDB: (1) to redeem, in inverse annual order, the Series 2016C Bonds owned by the TWDB, (2) deposit into the Interest and Sinking Fund for the payment of interest or principal on the Series 2016C Bonds owned by the TWDB, or (3) eligible project costs as authorized by the Executive Administrator.

Section 12.7. Insurance. The City will maintain insurance on the projects financed with the proceeds of the Series 2016C Bonds in amounts adequate to protect the TWDB's interest.

Section 12.8. Water Conservation Program. The City has implemented or will implement an approved water conservation program required by the TWDB for so long as the Series 2016C Bonds are outstanding.

Section 12.9. TWDB Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of the Series 2016C Bonds that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.

Section 12.10. Environmental Determination. The City will comply with any special conditions specified by the TWDB's environmental determination until all financial obligations to the TWDB have been discharged.

Section 12.11. Environmental Indemnification. The City shall indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated

media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project, to the extent permitted by law.

Section 12.12. Compliance with Davis-Bacon. All laborers and mechanics employed by contractors and subcontractors for projects be paid wages at rates not less than those prevailing on projects of a similar character in the City in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations and all project contracts shall mandate compliance with the Davis-Bacon Act. All contracts and subcontracts for the construction of the project carried out in whole or in part with proceeds of the Series 2016C Bonds shall insert in full in any contract in excess of $2,000 the contracts clauses as provided by the TWDB.

Section 12.13. Federal Funding Accountability and Transparency Act. The City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282. The City shall obtain a Data Universal Numbering System Number and shall register with the System for Award Management, and maintain such registration while the Series 2016C Bonds are outstanding.

Section 12.14. American Iron and Steel Requirement. The City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines.

Section 12.15. Additional Covenants Related to Tax-Exempt Status.

(a) The City will not use any portion of the proceeds of the Series 2016C Bonds in a manner that would cause the Series 2016C Bonds to become "private activity bonds" within the meaning of Section 141 of the Code, and the Regulations.

(b) No portion of the proceeds of the Series 2016C Bonds will be used, directly or indirectly, in a manner that would cause the Series 2016C Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the Series 2016C Bonds (the "Source Series Bonds"), other than Nonpurpose Investments acquired with:

(1) proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;

(2) amounts invested in a bona fide debt service fund, within the meaning of Section 1.148-1(b) of the Regulations; and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of the maximum annual debt service on the Series 2016C Bonds, 125% of the average

annual debt service on the Series 2016C Bonds, or 10% of the stated principal amount (or, in the case of a discount, the issue price) of the Series 2016C Bonds.

(c) Neither the City nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Series 2016C Bonds.

ARTICLE XIII
MISCELLANEOUS

Section 13.1. Related Matters. In order that the City shall satisfy, in a timely manner, all of its obligations under the Ordinance, the Mayor, the City Secretary and other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for issuance and delivery of the Series 2016C Bonds, including executing by manual or facsimile signature and delivering on behalf of the City all certificates, consents, receipts, requests, notices, investment agreements and other documents as may be reasonably necessary to satisfy the City's obligations under the Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of such Ordinance. If requested by the Attorney General of Texas or his representatives, the Mayor may authorize such ministerial changes in the written text of this Ordinance as are necessary to obtain the Attorney General's approval and as he determines are consistent with the intent and purposes of this Ordinance, which determination shall be final.

Section 13.2. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 13.3. Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 13.4. Governing Law. This Ordinance shall be construed in accordance with and governed by the laws of the State of Texas.

Section 13.5. Repealer. All ordinances, or parts thereof inconsistent herewith, are hereby repealed to the extent of such inconsistency.

Section 13.6. Emergency. It is hereby officially found and determined that this Ordinance relates to an immediate public emergency affecting life, health, property and public peace, and that such emergency exists, the specific emergency being that the proceeds from the sale of the Series 2016C Bonds are required as soon as possible for necessary and urgently

needed improvements, and that this Ordinance be passed and approved on the date of its introduction.

Section 13.7. Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below.

PASSED AND APPROVED ON FIRST AND ONLY READING on the ____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Exhibit A	Form of Bond
Exhibit B	Paying Agent/Registrar Agreement
Exhibit C	Special Escrow Deposit Agreement
Exhibit D	Private Placement Memorandum
Exhibit E	Description of Annual Financial Information

EXHIBIT A

FORM OF BOND

United States of America
State of Texas

NUMBER	DENOMINATION
[1]R-	$_____
REGISTERED	REGISTERED

CITY OF PEARLAND, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS
SERIES 2016C

[2]INTEREST RATE:	DATED DATE:	[2]MATURITY DATE:	[2]CUSIP:
___%	March 1, 2016	September 1,____	

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

[3]THE CITY OF PEARLAND, TEXAS (the "City"), a municipal corporation duly incorporated under the laws of the State of Texas, for value received hereby promises to pay, but solely from certain Net Revenues as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the designated payment office of Wells Fargo Bank, N.A. in Minneapolis, Minnesota, Texas (the "Paying Agent/Registrar"), the principal amount identified above, in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay, solely from such Net Revenues, interest thereon at the rate described below, calculated on the basis of a 360-day year, composed of twelve 30-day months, from the later of the date of

[1] Initial Bond shall be numbered T-1.

[2] Omitted from Initial Bond.

[3] The first sentence of the Initial Bond shall read as follows:

> "THE CITY OF PEARLAND, TEXAS (the "City"), a municipal corporation duly incorporated under the laws of the State of Texas, for value received hereby promises to pay, but solely from certain Net Revenues as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date specified below, upon presentation and surrender of this Series 2016B Bond at the designated payment office of Wells Fargo Bank, N.A. in Minneapolis, Minnesota (the "Paying Agent/Registrar"), the principal amount set forth in the following schedule: [Insert information regarding years of maturity, principal amounts and interest rates from Section 3.3,] in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay, solely from such Net Revenues, interest thereon at the rate described above, calculated on the basis of a 360-day year, composed of twelve 30-day months, from the later of the Dated Date identified above or the most recent interest payment date to which interest has been paid or duly provided for."

delivery of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check sent by United States mail, first class, postage prepaid, payable on March 1 and September 1, beginning on March 1, 2017, mailed to the Registered Owner as shown on the books of registration kept by the Paying Agent/Registrar as of the fifteenth calendar day of the month next preceding each interest payment date. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent/Registrar. Notwithstanding the above, so long as the Texas Water Development Board ("TWDB") is the Registered Owner, all payments of principal and interest will be made by wire transfer at no cost to the TWDB.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS (herein, the "Series 2016C Bonds") aggregating $50,100,000, issued for the purpose of constructing certain repairs, improvements, additions and extensions to the City's waterworks and sanitary sewer system and payment of costs of issuance of the Bonds, all under and pursuant to Chapter 1502, Texas Government Code, as amended, and an ordinance adopted by the City on April 11, 2016 (the "Ordinance"), and other applicable law. Capitalized terms used herein without definition are defined in the Ordinance.

THIS SERIES 2016C BONDS are special obligations of the City that are payable from and are equally and ratably secured by a first lien on and pledge of the Net Revenues collected and received by the City from the operation and ownership of the City's water and sewer system as defined and provided in the Ordinance, which Net Revenues are required to be set aside and pledged to the payment of the Outstanding Bonds, as described in the Ordinance, the Series 2016C Bonds, and all Additional Bonds issued on a parity therewith, in the Interest and Sinking Fund and the Reserve Fund maintained for the payment of all such Bonds, all as more fully described and provided for in the Ordinance.

THE SERIES 2016C BONDS ARE PAYABLE SOLELY FROM SUCH NET REVENUES AND NEITHER THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE, SHALL BE OBLIGATED TO PAY THE SAME OR THE INTEREST THEREON AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2016C BONDS. THE OWNER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY AD VALOREM TAXATION.

REFERENCE IS HEREBY MADE TO THE ORDINANCE, a copy of which is on file in the office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner of this bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Series 2016C Bonds; the priority for the application and use of the income and revenues of the System; the Net Revenues pledged to the payment of the principal of and interest on the Series 2016C Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Series 2016C Bonds; the terms and conditions for the issuance of additional revenue obligations, including Additional Bonds; the terms and conditions for amending the Ordinance; the terms and

conditions relating to the transfer or exchange of this bond; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity of this bond, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein, unless otherwise defined, have the same meanings assigned in the Ordinance.

THE CITY RESERVES THE RIGHT, at its option, to redeem the Series 2016C Bonds maturing on September 1, 2026, and thereafter prior to their scheduled maturities, in inverse order of maturity, in whole or in part, in integral multiples of $5,000, on September 1, 2025, or any date thereafter, at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption.

NOT LESS THAN THIRTY (30) DAYS prior to a redemption date, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the City to each registered owner of a Series 2016C Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing. When Series 2016C Bonds or portions thereof have been called for redemption and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Series 2016C Bonds or portions thereof called for redemption shall terminate on the date fixed for redemption.

[4]THIS Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THIS BOND IS EXCHANGEABLE at the corporate trust office of the Paying Agent/Registrar for bonds in the principal amount of $5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Series 2016C Bond called for redemption in whole or in part during the 45 day period immediately prior to the date fixed for redemption.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

[4] In the Initial Bond, this paragraph shall read as follows: "THIS SERIES 2016B BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto."

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified Paying Agent/Registrar for the Series 2016C Bonds and will cause notice of any change of Paying Agent/Registrar to be mailed to each Registered Owner.

THE CITY HAS RESERVED THE RIGHT TO ISSUE ADDITIONAL PARITY BONDS, subject to the restrictions contained in the Ordinance, which may be equally and ratably payable from, and secured by a first lien on and pledge of, the Net Revenues in the same manner and to the same extent as the Outstanding Bonds, which includes this Bond and the series of which it is a part.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, to exist, and to be done precedent to or in the issuance and delivery of this Bond have been performed, have existed, and have been done in accordance with law; that the Series 2016C Bonds do not exceed any statutory limitation; and that provision has been made for the payment of the principal of and interest on this Series 2016C Bond and all of the Series 2016C Bonds by the creation of the aforesaid lien on and pledge of the Net Revenues.

IN WITNESS WHEREOF, the City has caused its corporate seal to be impressed or placed in facsimile hereon and has caused this Bond to be executed by the Mayor and countersigned by the City Secretary by manual, lithographed, or printed facsimile signatures.

CITY OF PEARLAND, TEXAS

_____
Mayor

(SEAL)

COUNTERSIGNED

_____
City Secretary

* * * * *

[FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE]

The following form of Comptroller's Registration Certificate shall be attached or affixed to each of the Series 2016C Bonds initially delivered.

THE STATE OF TEXAS

REGISTER NO._____

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this bond and the proceedings for the issuance

hereof have been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding special obligation of the City of Pearland, Texas, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____ _____.

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

* * * * *

[FORM OF AUTHENTICATION CERTIFICATE]

The following form of Authentication Certificate shall appear on each of the Series 2016C Bonds.

AUTHENTICATION CERTIFICATE

This bond is one of the Series 2016C Bonds described in and delivered pursuant to the within-mentioned Ordinance; and, except for the Series 2016C Bonds initially delivered, this bond has been issued in conversion of and exchange for or replacement of a bond, bonds or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

WELLS FARGO BANK, N.A., Minneapolis,
Minnesota

By:_____
Authorized Signature:_____
Date of Authentication:_____

* * * * *

[FORM OF ASSIGNMENT]

The following form of assignment shall appear on each of the Series 2016C Bonds.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto _____.

_____

(Social Security or Other Identifying Number)

_____

(Print or type name, address, and zip code of transferee)

the within bond and hereby irrevocably constitutes and appoints _____ attorney to transfer said bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:_____

Signature Guaranteed:

_____

_____

Registered Owner

NOTICE: The signature must be guaranteed by a commercial bank or a member firm of a national securities exchange. Notarized or witnessed signatures are not acceptable.

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

* * * *

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

See Tab _

EXHIBIT C

SPECIAL ESCROW DEPOSIT AGREEMENT

See Tab _

EXHIBIT D

PRIVATE PLACEMENT MEMORANDUM

See Tab _

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Article X of this Ordinance:

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Article are as specified below:

1. The financial statements of the City for the most recently concluded fiscal year and financial information and operating data for the Authority that conforms substantially to such information and data set out in the Official Statement for the City's Water and Sewer System Revenue Bonds, Series 2016A under the headings "CITY REVENUE DEBT," and "THE SYSTEM."

Accounting Principles

The accounting principles referred to in Article X are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

PRIVATE PLACEMENT MEMORANDUM DATED JUNE 20, 2016

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Bonds (defined below), Issuer Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in APPENDIX C - FORM OF OPINION OF BOND COUNSEL.

$50,100,000

CITY OF PEARLAND, TEXAS

(A political subdivision of the State of Texas located within Brazoria, Fort Bend and Harris Counties)

WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2016C

Dated: July 1, 2016 **Due:** September 1
Interest Accrual Date: July 28, 2016

Interest Date:	Interest on the Bonds will accrue from July 28, 2016 (the "Delivery Date") and is payable on March 1 and September 1 each year, commencing March 1, 2017 (each an "Interest Payment Date"). The Bonds will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."
Record Date:	The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day of the month next preceding each interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date (which shall be 15 days prior to the date fixed for payment of past due interest) and of the scheduled payment date of the past due interest shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.
Date Interest Accrues:	Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth, such interest payable semiannually on March 1 and September 1 of each year until the earliest of maturity or prior redemption, commencing on March 1, or September 1, immediately following the Delivery Date.
Redemption:	The Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS - Redemption Provisions" herein.
Authorized Denominations:	The Bonds are being issued as fully registered Bonds in denominations of **$5,000**, or any integral multiple thereof.
Paying Agent:	The paying agent ("Paying Agent") for the Bonds is Wells Fargo Bank, N.A., Minneapolis, Minnesota.
Book-Entry-Only System	Upon initial issuance, the ownership of the Bonds will be registered in the registration books of the Issuer kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Bonds will be made. The purchasers of the Bonds will not receive physical delivery of Bond certificates. Principal of, interest, and premium if any, on the Bonds will be payable at the designated office of the Paying Agent in Minneapolis, Minnesota as the same become due and payable.
Issuer:	City of Pearland, Texas.
Official Action:	Bond Ordinance dated July 11, 2016.
Purpose:	See "APPENDIX B - OFFICIAL ACTION."

Security for the Bonds:	See APPENDIX B - OFFICIAL ACTION."
Ratings:	See "OTHER INFORMATION - Ratings"
Delivery Date:	July 28, 2016.

See "APPENDIX A - MATURITY SCHEDULE" for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers

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City of Pearland, Texas

Mayor and City Council

Council Members

Tom Reid
Mayor

Tony Carbone
Mayor Pro-Tem
Council Member

Derrick Reed
Council Member

Gary Moore
Council Member

Keith Ordeneaux
Council Member

Greg Hill
Council Member

Andrews Kurth LLP, Bond Counsel

BOSC, Inc., Financial Advisor

Wells Fargo Bank, N.A., Paying Agent/Escrow Agent

CD Smith, Construction Manager

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Private Placement Memorandum
relating to

$50,100,000

CITY OF PEARLAND, TEXAS

(A political subdivision of the State of Texas located within Brazoria, Fort Bend and Harris Counties)

WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2016C

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the "Bonds" pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See "APPENDIX B – "FORM OF OFFICIAL ACTION" attached hereto.

APPENDIX A contains the maturity schedule for the Bonds. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Bonds. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Bonds. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE BONDS

General Description

The Bonds are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described therein. The Bonds are being issued as fully registered Bonds in denominations of $**5,000,** or any integral multiple thereof. The Bonds will be dated as of the stated date of issue and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Interest on the Bonds is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Bonds will be payable to the Owners upon presentation and surrender at the principal office of the Paying Agent.

Purpose

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Authority for Issuance

The Bonds issued pursuant to the Texas Constitution, the general laws of the State of Texas, particularly Chapters 1502, Texas Government Code, as amended, and the provisions of the Ordinance adopted by the City Council of the City.

Security for the Bonds

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Redemption Provisions

On September 1, 2025, or on any date thereafter, the Bonds maturing on and after September 1, 2026 may be redeemed prior to their scheduled maturities, upon the written direction of the Issuer, with funds provided by the Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part, and if less than all of a

maturity is to be redeemed the Paying Agent/Registrar will determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Notice of Redemption; Selection of Bonds to Be Redeemed

See "APPENDIX B - FORM OF OFFICIAL ACTION."

The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption of the Bonds, notice of proposed amendment to the Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC.

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations and deposited with DTC. See APPENDIX B - "FORM OF OFFICIAL ACTION."

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

TAX MATTERS

Opinion

Bond Counsel will deliver its opinion on the date of delivery of the Bonds substantially in the form as attached in "APPENDIX C - FORM OF OPINION OF BOND COUNSEL."

OTHER INFORMATION

Forward Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's expectations, hopes, intentions, or strategies regarding the future. Holders and beneficial owners of the Bonds have placed reliance on forward-looking statements. All forward looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

The Bonds are rated "Aa3" by Moody's Investors Services, Inc. and "AA-" by Fitch Ratings. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the Issuer makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

LITIGATION

General

On the date of delivery of the Bonds to the initial purchasers thereof, the Issuer will execute and deliver a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or which would affect the provisions made for their payment or security or in any manner questioning the validity of the Bonds.

The Issuer

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or Bond of the Issuer to deliver the Bonds, the security for, or the validity of, the Bonds or the financial condition of the Issuer.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of specified material events, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System. SEE APPENDIX B - "FORM OF OFFICIAL ACTION."

Compliance with Prior Undertakings

During the last 5 years, the City has complied in all material respects with its prior continuing disclosure agreements made in accordance with Rule 15c2-12.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein to the Texas Water Development Board on the Delivery Date and may not be reproduced or used, as a whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Bonds and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete. This Private Placement Memorandum was approved by the Issuer.

APPENDIX A

MATURITY SCHEDULE

$50,100,000
City of Pearland, Texas
Water and Sewer System Revenue Bonds, Series 2016C

Maturity Date (9/1)	Principal Amount	Interest Rate	Initial Yield	CUSIP No. 208418
2017	$1,860,000	0.00%	0.00%	PV3
2018	1,860,000	0.00%	0.00%	PW1
2019	1,860,000	0.00%	0.00%	PX9
2020	1,860,000	0.00%	0.00%	PY7
2021	1,855,000	0.00%	0.00%	PZ4
2022	1,700,000	0.00%	0.00%	QA8
2023	1,700,000	0.09%	0.09%	QB6
2024	1,700,000	0.20%	0.20%	QC4
2025	1,700,000	0.32%	0.32%	QD2
2026	1,700,000	0.43%	0.43%	QE0
2027	1,700,000	0.54%	0.54%	QF7
2028	1,700,000	0.59%	0.59%	QG5
2029	1,700,000	0.64%	0.64%	QH3
2030	1,700,000	0.70%	0.70%	QJ9
2031	1,700,000	0.76%	0.76%	QK6
2032	1,700,000	0.82%	0.82%	QL4
2033	1,700,000	0.87%	0.87%	QM2
2034	1,700,000	0.92%	0.92%	QN0
2035	1,700,000	0.96%	0.96%	QP5
2036	1,700,000	1.00%	1.00%	QQ3
2037	1,700,000	1.02%	1.02%	QR1
2038	1,700,000	1.04%	1.04%	QS9
2039	1,700,000	1.06%	1.06%	QT7
2040	1,700,000	1.07%	1.07%	QU4
2041	1,700,000	1.08%	1.08%	QV2
2042	1,700,000	1.09%	1.09%	QW0
2043	1,700,000	1.10%	1.10%	QX8
2044	1,700,000	1.11%	1.11%	QY6
2045	1,705,000	1.12%	1.12%	QZ3

APPENDIX B

FORM OF OFFICIAL ACTION

[ATTACH COPY OF OFFICIAL ACTION]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

City of Pearland, Texas- Revenue Debt
Current Debt plus New Debt
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016C (TWDB)

Dated Date 07/28/2016 **Water and Sewer System Revenue Bonds, Series 2016C (TWDB)** **Delivery Date 07/28/2016**

Year Ending 09/30	Current Debt Requirement	New Principal Due 09/01	Interest Various Due 03/01	Interest Various Due 09/01	Total New Interest	Total New Principal & Interest	Total Debt Service Requirement
2016	8,546,828						8,546,828
2017	10,560,986	1,860,000	186,414	157,533	343,947	2,203,947	12,764,933
2018	10,482,316	1,860,000	157,533	157,533	315,066	2,175,066	12,657,382
2019	10,477,845	1,860,000	157,533	157,533	315,066	2,175,066	12,652,911
2020	10,480,772	1,860,000	157,533	157,533	315,066	2,175,066	12,655,838
2021	10,538,412	1,855,000	157,533	157,533	315,066	2,170,066	12,708,478
2022	10,531,575	1,700,000	157,533	157,533	315,066	2,015,066	12,546,641
2023	10,526,075	1,700,000	157,533	157,533	315,066	2,015,066	12,541,141
2024	9,468,912	1,700,000	156,768	156,768	313,536	2,013,536	11,482,448
2025	9,520,857	1,700,000	155,068	155,068	310,136	2,010,136	11,530,993
2026	9,779,280	1,700,000	152,348	152,348	304,696	2,004,696	11,783,976
2027	9,767,218	1,700,000	148,693	148,693	297,386	1,997,386	11,764,604
2028	9,759,706	1,700,000	144,103	144,103	288,206	1,988,206	11,747,912
2029	9,759,231	1,700,000	139,088	139,088	278,176	1,978,176	11,737,407
2030	9,753,344	1,700,000	133,648	133,648	267,296	1,967,296	11,720,640
2031	9,737,613	1,700,000	127,698	127,698	255,396	1,955,396	11,693,009
2032	5,442,763	1,700,000	121,238	121,238	242,476	1,942,476	7,385,239
2033	5,443,719	1,700,000	114,268	114,268	228,536	1,928,536	7,372,255
2034	5,439,231	1,700,000	106,873	106,873	213,746	1,913,746	7,352,977
2035	2,344,981	1,700,000	99,053	99,053	198,106	1,898,106	4,243,087
2036	1,463,413	1,700,000	90,893	90,893	181,786	1,881,786	3,345,199
2037	1,013,306	1,700,000	82,393	82,393	164,786	1,864,786	2,878,092
2038	650,131	1,700,000	73,723	73,723	147,446	1,847,446	2,497,577
2039	663,200	1,700,000	64,883	64,883	129,766	1,829,766	2,492,966
2040		1,700,000	55,873	55,873	111,746	1,811,746	1,811,746
2041		1,700,000	46,778	46,778	93,556	1,793,556	1,793,556
2042		1,700,000	37,598	37,598	75,196	1,775,196	1,775,196
2043		1,700,000	28,333	28,333	56,666	1,756,666	1,756,666
2044		1,700,000	18,983	18,983	37,966	1,737,966	1,737,966
2045		1,705,000	9,548	9,548	19,096	1,724,096	1,724,096
Totals	***$182,151,714***	***$50,100,000***	***$3,239,463***	***$3,210,582***	***$6,450,045***	***$56,550,045***	***$238,701,759***

NEW16TWDBC1900010 Dated Date: 07/28/2016 Principal Due Dates: 09/01/2017 - 09/01/2045 Maturing Amount: 50,100,000.00

City of Pearland, Texas- Revenue Debt
Sources & Uses Report
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016C (TWDB)

Sources of Funds:		
Principal Amount of Current Interest Bonds (CIBs)		39,105,000.00
Compound Accretion Bond Proceeds (CABs)		10,995,000.00
Total SOURCES of Funds		***$50,100,000.00***
Uses of Funds:		
Deposit to Construction Fund		49,075,150.00
Issuance Expenses:	($1,024,850.00)	
TWDB Origination Fee		926,850.00
Bond Counsel		40,000.00
Paying Agent		2,000.00
Financial Advisor		45,500.00
Attorney General		9,500.00
Miscellaneous		1,000.00
Total USES of Funds		***$50,100,000.00***

Miscellaneous Bond Issuance Information:

Delivery Date:	07/28/2016
	-
Principal Amount of the New Money Bonds	50,100,000.00
Proceeds of "The (new) Bonds"	50,100,000.00
	-
"All Costs Included" TIC on the New Issue is	0.97409806%
Federal Arbitrage Yield on the New Issue is	0.80068038%

City of Pearland, Texas- Revenue Debt

FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016C (TWDB)

Dated Date = 07/28/2016 **Water and Sewer System Revenue Bonds, Series 2016C (TWDB)** **Delivery Date = 07/28/2016**

Dates	Term Bond Maturities	Bond Redemptions	Proceeds	Coupon Rate	Yield	Price	Interest Amount	Total Debt Service	Fiscal Year Debt Service	Debt Service to Call
03/01/2017	-	-	-	-	-	-	186,414.05	186,414.05	-	186,414.05
09/01/2017	-	1,860,000.00	1,860,000.00	-	-	100.000000	157,533.00	2,017,533.00	2,203,947.05	2,017,533.00
03/01/2018	-	-	-	-	-	-	157,533.00	157,533.00	-	157,533.00
09/01/2018	-	1,860,000.00	1,860,000.00	-	-	100.000000	157,533.00	2,017,533.00	2,175,066.00	2,017,533.00
03/01/2019	-	-	-	-	-	-	157,533.00	157,533.00	-	157,533.00
09/01/2019	-	1,860,000.00	1,860,000.00	-	-	100.000000	157,533.00	2,017,533.00	2,175,066.00	2,017,533.00
03/01/2020	-	-	-	-	-	-	157,533.00	157,533.00	-	157,533.00
09/01/2020	-	1,860,000.00	1,860,000.00	-	-	100.000000	157,533.00	2,017,533.00	2,175,066.00	2,017,533.00
03/01/2021	-	-	-	-	-	-	157,533.00	157,533.00	-	157,533.00
09/01/2021	-	1,855,000.00	1,855,000.00	-	-	100.000000	157,533.00	2,012,533.00	2,170,066.00	2,012,533.00
03/01/2022	-	-	-	-	-	-	157,533.00	157,533.00	-	157,533.00
09/01/2022	-	1,700,000.00	1,700,000.00	-	-	100.000000	157,533.00	1,857,533.00	2,015,066.00	1,857,533.00
03/01/2023	-	-	-	-	-	-	157,533.00	157,533.00	-	157,533.00
09/01/2023	-	1,700,000.00	1,700,000.00	0.090	0.090000	100.000000	157,533.00	1,857,533.00	2,015,066.00	1,857,533.00
03/01/2024	-	-	-	-	-	-	156,768.00	156,768.00	-	156,768.00
09/01/2024	-	1,700,000.00	1,700,000.00	0.200	0.200000	100.000000	156,768.00	1,856,768.00	2,013,536.00	1,856,768.00
03/01/2025	-	-	-	-	-	-	155,068.00	155,068.00	-	155,068.00
09/01/2025	-	1,700,000.00	1,700,000.00	0.320	0.320000	100.000000	155,068.00	1,855,068.00	2,010,136.00	35,860,068.00
03/01/2026	-	-	-	-	-	-	152,348.00	152,348.00	-	-
09/01/2026	-	1,700,000.00 *	1,700,000.00	0.430	0.430000	100.000000	152,348.00	1,852,348.00	2,004,696.00	-
03/01/2027	-	-	-	-	-	-	148,693.00	148,693.00	-	-
09/01/2027	-	1,700,000.00 *	1,700,000.00	0.540	0.540000	100.000000	148,693.00	1,848,693.00	1,997,386.00	-
03/01/2028	-	-	-	-	-	-	144,103.00	144,103.00	-	-
09/01/2028	-	1,700,000.00 *	1,700,000.00	0.590	0.590000	100.000000	144,103.00	1,844,103.00	1,988,206.00	-
03/01/2029	-	-	-	-	-	-	139,088.00	139,088.00	-	-
09/01/2029	-	1,700,000.00 *	1,700,000.00	0.640	0.640000	100.000000	139,088.00	1,839,088.00	1,978,176.00	-
03/01/2030	-	-	-	-	-	-	133,648.00	133,648.00	-	-
09/01/2030	-	1,700,000.00 *	1,700,000.00	0.700	0.700000	100.000000	133,648.00	1,833,648.00	1,967,296.00	-
03/01/2031	-	-	-	-	-	-	127,698.00	127,698.00	-	-
09/01/2031	-	1,700,000.00 *	1,700,000.00	0.760	0.760000	100.000000	127,698.00	1,827,698.00	1,955,396.00	-
03/01/2032	-	-	-	-	-	-	121,238.00	121,238.00	-	-
09/01/2032	-	1,700,000.00 *	1,700,000.00	0.820	0.820000	100.000000	121,238.00	1,821,238.00	1,942,476.00	-
03/01/2033	-	-	-	-	-	-	114,268.00	114,268.00	-	-
09/01/2033	-	1,700,000.00 *	1,700,000.00	0.870	0.870000	100.000000	114,268.00	1,814,268.00	1,928,536.00	-
03/01/2034	-	-	-	-	-	-	106,873.00	106,873.00	-	-
09/01/2034	-	1,700,000.00 *	1,700,000.00	0.920	0.920000	100.000000	106,873.00	1,806,873.00	1,913,746.00	-
03/01/2035	-	-	-	-	-	-	99,053.00	99,053.00	-	-
09/01/2035	-	1,700,000.00 *	1,700,000.00	0.960	0.960000	100.000000	99,053.00	1,799,053.00	1,898,106.00	-
03/01/2036	-	-	-	-	-	-	90,893.00	90,893.00	-	-
09/01/2036	-	1,700,000.00 *	1,700,000.00	1.000	1.000000	100.000000	90,893.00	1,790,893.00	1,881,786.00	-
03/01/2037	-	-	-	-	-	-	82,393.00	82,393.00	-	-
09/01/2037	-	1,700,000.00 *	1,700,000.00	1.020	1.020000	100.000000	82,393.00	1,782,393.00	1,864,786.00	-
03/01/2038	-	-	-	-	-	-	73,723.00	73,723.00	-	-
09/01/2038	-	1,700,000.00 *	1,700,000.00	1.040	1.040000	100.000000	73,723.00	1,773,723.00	1,847,446.00	-
03/01/2039	-	-	-	-	-	-	64,883.00	64,883.00	-	-
09/01/2039	-	1,700,000.00 *	1,700,000.00	1.060	1.060000	100.000000	64,883.00	1,764,883.00	1,829,766.00	-

Dates	Term Bond Maturities	Bond Redemptions	Proceeds	Coupon Rate	Yield	Price	Interest Amount	Total Debt Service	Fiscal Year Debt Service	Debt Service to Call
03/01/2040	-	-	-	-	-	-	55,873.00	55,873.00	-	-
09/01/2040	-	1,700,000.00 *	1,700,000.00	1.070	1.070000	100.000000	55,873.00	1,755,873.00	1,811,746.00	-
03/01/2041	-	-	-	-	-	-	46,778.00	46,778.00	-	-
09/01/2041	-	1,700,000.00 *	1,700,000.00	1.080	1.080000	100.000000	46,778.00	1,746,778.00	1,793,556.00	-
03/01/2042	-	-	-	-	-	-	37,598.00	37,598.00	-	-
09/01/2042	-	1,700,000.00 *	1,700,000.00	1.090	1.090000	100.000000	37,598.00	1,737,598.00	1,775,196.00	-
03/01/2043	-	-	-	-	-	-	28,333.00	28,333.00	-	-
09/01/2043	-	1,700,000.00 *	1,700,000.00	1.100	1.100000	100.000000	28,333.00	1,728,333.00	1,756,666.00	-
03/01/2044	-	-	-	-	-	-	18,983.00	18,983.00	-	-
09/01/2044	-	1,700,000.00 *	1,700,000.00	1.110	1.110000	100.000000	18,983.00	1,718,983.00	1,737,966.00	-
03/01/2045	-	-	-	-	-	-	9,548.00	9,548.00	-	-
09/01/2045	-	1,705,000.00 *	1,705,000.00	1.120	1.120000	100.000000	9,548.00	1,714,548.00	1,724,096.00	-
Total	**-**	**50,100,000.00**	**50,100,000.00**				**6,450,045.05**	**56,550,045.05**	**56,550,045.05**	**52,958,015.05**
Acc Int	**-**	**-**	**-**				**-**	**-**	**-**	**-**
Grand Ttls	**-**	**50,100,000.00**	**50,100,000.00**				**6,450,045.05**	**56,550,045.05**	**56,550,045.05**	**52,958,015.05**

* - Bonds callable ... 09/01/2025@100.000

TIC (Incl. all expenses) .... 1.00503101% Average Coupon 0.86390799%
TIC (Arbitrage TIC) ..... 0.85504910% Average Life (yrs) ... 14.90 IRS Form 8038-G NIC = 0.863908% (with Adjstmnt of $0.00).
Bond Years ..... 746,612.50 WAM (yrs) ..... 14.902445 NIC = 0.863908% (with Adjstmnt of $0.00).

City of Pearland, Texas- Revenue Debt
Proof of Federal Arbitrage Yield
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016C (TWDB)

Dated Date 07/28/2016 **Water and Sewer System Revenue Bonds, Series 2016C (TWDB)** **Delivery Date 07/28/2016**

Dates	Face Amounts	Proceeds to: Bondholder(+) Issuer(-)	Interest to: Bondholder(+) Issuer(-)	Recoverable, Recurring Fees	Total Debt Service	Disc Term Bond Adjstmt for Yld Calc	BAB "Direct Pymt" Adjustment	Total Adjusted Cash Flow	PV of Adj D/S to 07/28/2016 @ 0.85504910%
07/28/2016	0.00	-50,100,000.00	0.00	0.00	0.00	0.00	0.00	-50,100,000.00	-50,100,000.00
03/01/2017	0.00	0.00	186,414.05	0.00	186,414.05	0.00	0.00	186,414.05	185,475.36
09/01/2017	1,860,000.00	1,860,000.00	157,533.00	0.00	2,017,533.00	0.00	0.00	2,017,533.00	1,998,828.16
03/01/2018	0.00	0.00	157,533.00	0.00	157,533.00	0.00	0.00	157,533.00	155,408.08
09/01/2018	1,860,000.00	1,860,000.00	157,533.00	0.00	2,017,533.00	0.00	0.00	2,017,533.00	1,981,846.18
03/01/2019	0.00	0.00	157,533.00	0.00	157,533.00	0.00	0.00	157,533.00	154,087.74
09/01/2019	1,860,000.00	1,860,000.00	157,533.00	0.00	2,017,533.00	0.00	0.00	2,017,533.00	1,965,008.47
03/01/2020	0.00	0.00	157,533.00	0.00	157,533.00	0.00	0.00	157,533.00	152,778.61
09/01/2020	1,860,000.00	1,860,000.00	157,533.00	0.00	2,017,533.00	0.00	0.00	2,017,533.00	1,948,313.82
03/01/2021	0.00	0.00	157,533.00	0.00	157,533.00	0.00	0.00	157,533.00	151,480.61
09/01/2021	1,855,000.00	1,855,000.00	157,533.00	0.00	2,012,533.00	0.00	0.00	2,012,533.00	1,926,973.58
03/01/2022	0.00	0.00	157,533.00	0.00	157,533.00	0.00	0.00	157,533.00	150,193.64
09/01/2022	1,700,000.00	1,700,000.00	157,533.00	0.00	1,857,533.00	0.00	0.00	1,857,533.00	1,763,452.52
03/01/2023	0.00	0.00	157,533.00	0.00	157,533.00	0.00	0.00	157,533.00	148,917.60
09/01/2023	1,700,000.00	1,700,000.00	157,533.00	0.00	1,857,533.00	0.00	0.00	1,857,533.00	1,748,470.28
03/01/2024	0.00	0.00	156,768.00	0.00	156,768.00	0.00	0.00	156,768.00	146,935.38
09/01/2024	1,700,000.00	1,700,000.00	156,768.00	0.00	1,856,768.00	0.00	0.00	1,856,768.00	1,732,901.37
03/01/2025	0.00	0.00	155,068.00	0.00	155,068.00	0.00	0.00	155,068.00	144,107.18
09/01/2025	1,700,000.00	1,700,000.00	155,068.00	0.00	1,855,068.00	0.00	0.00	1,855,068.00	1,716,605.58
03/01/2026	0.00	0.00	152,348.00	0.00	152,348.00	0.00	0.00	152,348.00	140,376.59
09/01/2026	1,700,000.00	1,700,000.00	152,348.00	0.00	1,852,348.00	0.00	0.00	1,852,348.00	1,699,525.76
03/01/2027	0.00	0.00	148,693.00	0.00	148,693.00	0.00	0.00	148,693.00	135,844.77
09/01/2027	1,700,000.00	1,700,000.00	148,693.00	0.00	1,848,693.00	0.00	0.00	1,848,693.00	1,681,761.68
03/01/2028	0.00	0.00	144,103.00	0.00	144,103.00	0.00	0.00	144,103.00	130,532.88
09/01/2028	1,700,000.00	1,700,000.00	144,103.00	0.00	1,844,103.00	0.00	0.00	1,844,103.00	1,663,333.42
03/01/2029	0.00	0.00	139,088.00	0.00	139,088.00	0.00	0.00	139,088.00	124,919.73
09/01/2029	1,700,000.00	1,700,000.00	139,088.00	0.00	1,839,088.00	0.00	0.00	1,839,088.00	1,644,716.82
03/01/2030	0.00	0.00	133,648.00	0.00	133,648.00	0.00	0.00	133,648.00	119,014.08
09/01/2030	1,700,000.00	1,700,000.00	133,648.00	0.00	1,833,648.00	0.00	0.00	1,833,648.00	1,625,919.64
03/01/2031	0.00	0.00	127,698.00	0.00	127,698.00	0.00	0.00	127,698.00	112,749.45
09/01/2031	1,700,000.00	1,700,000.00	127,698.00	0.00	1,827,698.00	0.00	0.00	1,827,698.00	1,606,874.76
03/01/2032	0.00	0.00	121,238.00	0.00	121,238.00	0.00	0.00	121,238.00	106,136.22
09/01/2032	1,700,000.00	1,700,000.00	121,238.00	0.00	1,821,238.00	0.00	0.00	1,821,238.00	1,587,591.55
03/01/2033	0.00	0.00	114,268.00	0.00	114,268.00	0.00	0.00	114,268.00	99,184.53
09/01/2033	1,700,000.00	1,700,000.00	114,268.00	0.00	1,814,268.00	0.00	0.00	1,814,268.00	1,568,079.23
03/01/2034	0.00	0.00	106,873.00	0.00	106,873.00	0.00	0.00	106,873.00	91,977.54
09/01/2034	1,700,000.00	1,700,000.00	106,873.00	0.00	1,806,873.00	0.00	0.00	1,806,873.00	1,548,419.65
03/01/2035	0.00	0.00	99,053.00	0.00	99,053.00	0.00	0.00	99,053.00	84,523.20
09/01/2035	1,700,000.00	1,700,000.00	99,053.00	0.00	1,799,053.00	0.00	0.00	1,799,053.00	1,528,619.82
03/01/2036	0.00	0.00	90,893.00	0.00	90,893.00	0.00	0.00	90,893.00	76,901.22
09/01/2036	1,700,000.00	1,700,000.00	90,893.00	0.00	1,790,893.00	0.00	0.00	1,790,893.00	1,508,758.23
03/01/2037	0.00	0.00	82,393.00	0.00	82,393.00	0.00	0.00	82,393.00	69,117.43
09/01/2037	1,700,000.00	1,700,000.00	82,393.00	0.00	1,782,393.00	0.00	0.00	1,782,393.00	1,488,839.79
03/01/2038	0.00	0.00	73,723.00	0.00	73,723.00	0.00	0.00	73,723.00	61,318.95
09/01/2038	1,700,000.00	1,700,000.00	73,723.00	0.00	1,773,723.00	0.00	0.00	1,773,723.00	1,469,010.09
03/01/2039	0.00	0.00	64,883.00	0.00	64,883.00	0.00	0.00	64,883.00	53,507.81

Dates	Face Amounts	Proceeds to: Bondholder(+) Issuer(-)	Interest to: Bondholder(+) Issuer(-)	Recoverable, Recurring Fees	Total Debt Service	Disc Term Bond Adjstmt for Yld Calc	BAB "Direct Pymt" Adjustment	Total Adjusted Cash Flow	PV of Adj D/S to 07/28/2016 @ 0.85504910%
09/01/2039	1,700,000.00	1,700,000.00	64,883.00	0.00	1,764,883.00	0.00	0.00	1,764,883.00	1,449,270.28
03/01/2040	0.00	0.00	55,873.00	0.00	55,873.00	0.00	0.00	55,873.00	45,685.95
09/01/2040	1,700,000.00	1,700,000.00	55,873.00	0.00	1,755,873.00	0.00	0.00	1,755,873.00	1,429,621.44
03/01/2041	0.00	0.00	46,778.00	0.00	46,778.00	0.00	0.00	46,778.00	37,924.24
09/01/2041	1,700,000.00	1,700,000.00	46,778.00	0.00	1,746,778.00	0.00	0.00	1,746,778.00	1,410,133.24
03/01/2042	0.00	0.00	37,598.00	0.00	37,598.00	0.00	0.00	37,598.00	30,222.78
09/01/2042	1,700,000.00	1,700,000.00	37,598.00	0.00	1,737,598.00	0.00	0.00	1,737,598.00	1,390,804.95
03/01/2043	0.00	0.00	28,333.00	0.00	28,333.00	0.00	0.00	28,333.00	22,581.70
09/01/2043	1,700,000.00	1,700,000.00	28,333.00	0.00	1,728,333.00	0.00	0.00	1,728,333.00	1,371,635.84
03/01/2044	0.00	0.00	18,983.00	0.00	18,983.00	0.00	0.00	18,983.00	15,001.11
09/01/2044	1,700,000.00	1,700,000.00	18,983.00	0.00	1,718,983.00	0.00	0.00	1,718,983.00	1,352,625.19
03/01/2045	0.00	0.00	9,548.00	0.00	9,548.00	0.00	0.00	9,548.00	7,481.10
09/01/2045	1,705,000.00	1,705,000.00	9,548.00	0.00	1,714,548.00	0.00	0.00	1,714,548.00	1,337,673.18
Totals	***50,100,000.00***	***0.00***	***6,450,045.05***	***0.00***	***56,550,045.05***	***0.00***	***0.00***	***6,450,045.05***	***0.00***
							Plus PV of Bond Insurance		***0.00***
									0.00

City of Pearland, Texas- Revenue Debt
Partial Form 8038-G Report (Rev. 11-2000)
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016C (TWDB)

Dated Date = 07/28/2016 **Water and Sewer System Revenue Bonds, Series 2016C (TWDB)** **Delivery Date = 07/28/2016**

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	09/01/2045	$50,100,000.00	$50,100,000.00	14.902 years	0.800680%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0.00
23	Issue price of entire issue (enter amount from line 21, column (b))			23	50,100,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	1,024,850.00	##	
25	Proceeds used for credit enhancement	25	0.00	##	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0.00	##	
27	Proceeds used to currently refund prior issues	27	0.00	##	
28	Proceeds used to advance refund prior issues	28	0.00	##	
29	Total (add lines 24 through 28)			29	1,024,850.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	49,075,150.00

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	=>	0.0000 years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	=>	0.0000 years
33	Enter the last date on which the refunded bonds will be called	=>	
34	Enter the date(s) the refunded bonds were issued		See each Issue's O/S

City of Pearland, Texas- Revenue Debt
Issuance Expenses for NEW16TWDBC
FINAL NUMBERS - Water and Sewer System Revenue Bonds, Series 2016C (TWDB)
Expenses for NEW16TWDBC

Expense Title	Type	Units	Expense Raises Arb Yield	Exp has no Affect on Arb Yield	Total
TWDB Origination Fee	V	18.500000	0.00	926,850.00	926,850.00
Rating Agency	F	0.00	0.00	0.00	0.00
Bond Counsel	F	40,000.00	0.00	40,000.00	40,000.00
Accountant/CPA	F	0.00	0.00	0.00	0.00
Printing	F	0.00	0.00	0.00	0.00
Paying Agent	F	2,000.00	0.00	2,000.00	2,000.00
Bond Insurance	D	0.000000	0.00	0.00	0.00
Financial Advisor	F	45,500.00	0.00	45,500.00	45,500.00
Attorney General	F	9,500.00	0.00	9,500.00	9,500.00
Miscellaneous	F	1,000.00	0.00	1,000.00	1,000.00
Totals			***$0.00***	***$1,024,850.00***	***$1,024,850.00***

Type: ***F - Fixed Expense***
V - Variable Expense Based on Issue Size
D - Variable Expense Based on Total Debt Service
E - Variable Expense Based on Total Debt Service Less Accrued Interest
R - Variable Expense Based on Reserve Fund Requirement

City of Pearland, Texas
Final Cash Flows
Existing Debt Service and Actual 2016B and 2016C TWDB Clean Water State Revolving Fund Loan

Fiscal Year Ended 30-Sep	Operating Revenues	Operating Expenses	Net Revenues Available	Existing Debt Service (a)	Series 2016B TWDB Loan (b) Principal	Series 2016B TWDB Loan (b) Interest	Series 2016C TWDB Loan (c) Principal	Series 2016C TWDB Loan (c) Interest	Total Debt Service	Average Annual Debt Service	Coverage (d)
2016	37,439,538	23,591,463	13,848,075	8,546,828	-	-	-	-	8,546,828	7,956,725	1.74
2017	39,209,015	23,908,796	15,300,219	9,317,773	1,235,000	8,213	1,860,000	343,947	12,764,933	7,936,377	1.93
2018	40,711,242	24,132,306	16,578,936	9,244,793	1,230,000	7,524	1,860,000	315,066	12,657,382	7,763,928	2.14
2019	41,588,812	25,449,963	16,138,849	9,240,321	1,230,000	7,524	1,860,000	315,066	12,652,911	7,582,689	2.13
2020	42,717,956	25,699,924	17,018,032	9,238,249	1,235,000	7,524	1,860,000	315,066	12,655,838	7,387,681	2.30
2021	43,589,028	29,991,963	13,597,065	9,295,889	1,235,000	7,524	1,855,000 (e)	315,066	12,708,478	7,176,955	1.89
2022	44,463,170	30,287,345	14,175,825	9,289,051	1,235,000	7,524	1,700,000	315,066	12,546,641	6,946,474	2.04
2023	45,051,241	30,308,553	14,742,688	9,283,551	1,235,000	7,524	1,700,000	315,066	12,541,141	6,702,989	2.20
2024	45,051,241	30,886,999	14,164,243	8,232,500	1,230,000	6,412	1,700,000	313,536	11,482,448	6,437,618	2.20
2025	45,051,241	31,191,330	13,859,912	8,281,905	1,235,000	3,952	1,700,000	310,136	11,530,993	6,197,388	2.24
2026	45,051,241	30,397,820	14,653,422	9,779,280			1,700,000	304,696	11,783,976	5,930,708	2.47
2027	45,051,241	30,696,336	14,354,905	9,767,218			1,700,000	297,386	11,764,604	5,622,642	2.55
2028	45,051,241	30,997,800	14,053,441	9,759,706			1,700,000	288,206	11,747,912	5,281,421	2.66
2029	45,051,241	31,302,240	13,749,001	9,759,231			1,700,000	278,176	11,737,407	4,901,040	2.81
2030	45,051,241	31,609,686	13,441,556	9,753,344			1,700,000	267,296	11,720,640	4,473,767	3.00
2031	45,051,241	31,920,167	13,131,075	9,737,613			1,700,000	255,396	11,693,009	3,990,642	3.29
2032	45,051,241	32,069,873	12,981,368	5,442,763			1,700,000	242,476	7,385,239	3,440,473	3.77
2033	45,051,241	32,385,369	12,665,873	5,443,719			1,700,000	228,536	7,372,255	3,137,029	4.04
2034	45,051,241	32,703,983	12,347,259	5,439,231			1,700,000	213,746	7,352,977	2,784,094	4.43
2035	45,051,241	33,025,746	12,025,495	2,344,981			1,700,000	198,106	4,243,087	2,368,741	5.08
2036	45,051,241	33,350,690	11,700,551	1,463,413			1,700,000	181,786	3,345,199	2,181,306	5.36
2037	45,051,241	33,678,847	11,372,395	1,013,306			1,700,000	164,786	2,878,092	2,051,985	5.54
2038	45,051,241	34,010,247	11,040,994	650,131			1,700,000	147,446	2,497,577	1,948,721	5.67
2039	45,051,241	34,344,924	10,706,317	663,200			1,700,000	129,766	2,492,966	1,870,313	5.72
2040	45,051,241	34,682,910	10,368,332				1,700,000	111,746	1,811,746	1,766,538	5.87
2041	45,051,241	35,024,237	10,027,004				1,700,000	93,556	1,793,556	1,757,496	5.71
2042	45,051,241	35,368,939	9,682,302				1,700,000	75,196	1,775,196	1,748,481	5.54
2043	45,051,241	35,717,049	9,334,192				1,700,000	56,666	1,756,666	1,739,576	5.37
2044	45,051,241	36,068,601	8,982,640				1,700,000	37,966	1,737,966	1,731,031	5.19
2045	45,051,241	36,423,630	8,627,611				1,705,000	19,096	1,724,096	1,724,096	5.00
Total				**170,987,995**	**11,100,000**	**63,721**	**50,100,000**	**6,450,045**	**238,701,758**		

Note: Includes estimated costs of issuance and TWDB Loan Origination Fee of 1.85%. Assumes the Reserve Fund will be funded with cash by the City over a 60-month period. Generates proceeds of $59,950,000 for the City.
(a) Does not include General Obligation debt paid by Waterworks and Sewer System Revenues.
(b) Generates procees of $10,837,350.00 for the City
(c) Generates procees of $49,075,150.00 for the City
(e) Coverage of 1.40x the average annual debt service requirements at the time of the Bond Sale is required per the Bond Order.
(f) Generates proceeds of $820,000 during the first 5 years for technology related expenditures.

Memo

To: Cynthia A. Pearson, Finance Director

From: Daniel McGhinnis, Chief Information Officer

Cc: Trent Epperson
Eric Wilson
Sue Polka

Date: June 6, 2016

Re: Reflection Bay Technology

Part of the Reflection Bay Expansion project included connectivity into the City's fiber network along with servers and infrastructure to support the addition. During the design process, several discussions took place surrounding the utilization of technology and it was decided that a centralized approach should be taken. This solution allows the Public Works Department to connect to the environment from any location and access vital information necessary for the plant to operate; thereby, enabling decision makers access to data in a timely manner and facilitating a quicker response and resolution. It also provides built-in redundancy to allow the city to maintain operational continuity across the organization. Bringing this solution, modernizes the SCADA system and aligns it with one of the council goals "sustainable infrastructure".

The equipment is essential integrated part of a successful project. Rather than finance it for the 25- or 30-years of the bonds, the technology component of the bonds were amortized over a 5 year period to match the useful life expectancy of the hardware, shorter than the building and other improvements. The Reflection Bay plant required equipment that was rugged and durable to survive the harsh elements. These components are more expensive than typical office infrastructure given the use of chemicals used in the treatment process and the general nature of the plant's operation.

Another discussion during the design process revolved around the acquisition of the equipment as well as the security of the SCADA system. The IT Department recommended removing as much of the technology as possible from the general construction bid for two specific reasons. The primary reason was to reduce the costs associated with the acquisition of servers and infrastructure. By removing these components from the bid, the City will be able to save money by not incurring the markup costs the General Contractor would have applied to the equipment. It also allows the City to take advantage of state negotiated (DIR) pricing or seek competitive bids from a variety of vendors that can supply the hardware only. Since the City will be seeking procurement of hardware and not services for the installation and configuration, it will further the cost saving measure. The procurement of this equipment will be brought forward at a future council meeting.

The second purpose for removing the technology component was to allow the expertise of the City's IT Department staff to handle the necessary security surrounding the plant's operation. The City employs an expert in network administration and security and this allows the individual to regulate the data communication for authorized personnel only. Protecting the City's water and waste water facilities is a top priority while still allowing authorized individuals the necessary access for daily operations.

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: July 11, 2016	**ITEM NO.: Consent Agenda**
DATE SUBMITTED: June 30, 2016	**DEPARTMENT OF ORIGIN: City Secretary**
PREPARED BY: Maria E. Rodriguez	**PRESENTOR: City Council**
REVIEWED BY: Jon R. Branson	**REVIEW DATE: June 30, 2016**

SUBJECT: Excuse the absence of Councilmember Gary Moore from the Regular Council Meeting held on June 27, 2016.

EXHIBITS: None

EXPENDITURE REQUIRED: N/A
AMOUNT BUDGETED: N/A
AMOUNT AVAILABLE: N/A
PROJECT NO.: N/A
ACCOUNT NO.: N/A

ADDITIONAL APPROPRIATION REQUIRED: N/A
ACCOUNT NO.: N/A
PROJECT NO.: N/A

To be completed by Department:
☐ **Finance** ☐ **Legal** ☐ **Ordinance** ☐ **Resolution**

EXECUTIVE SUMMARY

Excuse Councilmember Gary Moore's absence from the June 27, 2016, Regular Council Meeting.

RECOMMENDED ACTION

Council action required.

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-123
DATE SUBMITTED:	July 1, 2016	**DEPT. OF ORIGIN:**	Finance
PREPARED BY:	Bob Pearce	**PRESENTOR:**	Bob Pearce
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: **Resolution No. R2016-123 - A resolution of the City Council of the City Of Pearland, Texas, authorizing the City Manager or his designee to enter into an Interlocal Agreement for the cooperative purchase of goods and services with the City of Plano, Texas.**

EXHIBITS: **Resolution R2016-123**
Interlocal Agreement with the City of Plano

FUNDING:

	☐ Grant	☐ Developer/Other	☒ Cash
☐ Bonds To Be Sold	☐ Bonds- Sold	☐ L/P – Sold	☐ L/P – To Be Sold

EXPENDITURE REQUIRED: $-0-
AMOUNT BUDGETED: $0-
AMOUNT AVAILABLE: $-0-
PROJECT NO.:
ACCOUNT NOS.:
ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:

Finance	**X Legal**	**Ordinance**	**X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The City of Plano has requested to utilize various City of Pearland contracts for goods and services, specifically our contract for EMS billing and collection services, which was recently renewed with Digitech Computer, Inc. in December of 2015. City staff will monitor and evaluate the City of Plano's available contracts for any that may be advantageous to us in the future.

The attached Interlocal Agreement would allow for the cities of Pearland, Texas and Plano, Texas to cooperatively purchase various goods and services from existing contracts which are determined to be fiscally advantageous to either entity. Please note that any cooperative purchase by the City of Pearland of goods or services in excess of $50,000 annually under an existing Plano contract would require City of Pearland, Council approval.

This Interlocal Agreement is comparable to the Interlocal Agreement we have with the City of Richardson, Texas, which was approved by City Council on January 25, 2016.

POLICY/GOAL CONSIDERATION

Fiscally Responsible: This Interlocal Agreement is recommended for the purpose of allowing the cities of Pearland and Plano to cooperatively purchase from existing contracts, when fiscally advantageous to either City.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

Funding for any goods or services will come from various departmental operating budgets.

RECOMMENDED ACTION

Consideration and approval of a Resolution R2016-123 authorizing the City Manager or his designee to execute the attached Interlocal Agreement with the City of Plano, Texas.

RESOLUTION NO. R2016-123

A Resolution of the City Council of the City Of Pearland, Texas, authorizing the City Manager or his designee to enter into an Interlocal Agreement for the cooperative purchase of goods and services with the City of Plano, Texas.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That certain Interlocal Agreement by and between the City of Pearland and the City of Plano, Texas, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

Section 2. That the City Manager or his designee is hereby authorized to execute and the City Secretary to attest an Interlocal Agreement with the City of Plano, Texas.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

COOPERATIVE PURCHASING PROGRAM AGREEMENT
BY AND BETWEEN THE CITY OF PLANO AND
THE CITY OF PEARLAND, TEXAS

THIS AGREEMENT is made and entered into by and between the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation located in Denton and Collin Counties, Texas (hereinafter referred to as "Plano"), and the **CITY OF PEARLAND**, a home-rule municipal corporation located in Brazoria, Fort Bend, and Harris Counties, Texas (hereinafter referred to as "Pearland").

WHEREAS, this Agreement is authorized by Subchapter F, Chapter 271 of the Texas Local Government Code; and

WHEREAS, Section 271.l02 of the Texas Local Government Code, authorizes local governments to participate in cooperative purchasing programs with other local governments to purchase goods or services off contracts currently existing between another local government and a vendor, and such process satisfies the state law competitive bid requirements; and

WHEREAS, each party has and will on an annual basis obtain competitive bids for the purchase of goods and services; and

WHEREAS, Plano and Pearland desire to enter into a cooperative purchasing program which will allow each party to purchase goods and services under each other's competitively bid contracts pursuant to Subchapter F, Chapter 271 of the Texas Local Government Code; and

NOW, THEREFORE, Plano and Pearland, for the mutual consideration hereinafter stated, agree as follows:

I.

EFFECTIVE DATE/TERM

This Agreement shall be effective upon execution by the parties. This Agreement shall continue in effect on an annual basis, unless one of the parties indicates in writing to the other party their intent to terminate this Agreement pursuant to **Section IV** before the end of the contract year in question.

II.

DUTIES OF PLANO

Plano agrees to participate in the Pearland cooperative purchasing program, and agrees that it will buy goods and services from those vendors that Pearland solicits for competitive bids. Plano also agrees to prepare, execute, and administer its own contract for the goods or services in question with the vendor at the prices bid and accepted by Pearland, and Pearland shall not be a party to the agreement between vendor and Plano. Pearland shall have no obligations for payment to vendor for any services or goods incurred by any party other than Pearland. Any payments owed the vendor for services or goods shall be paid directly by Plano. Plano will be responsible for the vendor's compliance with provisions relating to the quality of items and terms of delivery, warranty enforcement, and any other terms or conditions of its agreement with the vendor.

III.

DUTIES OF PEARLAND

Pearland agrees to participate in the Plano cooperative purchasing program, and agrees that it will buy goods and services from those vendors that Plano solicits for competitive bids. Pearland also agrees to prepare, execute, and administer its own contract for the goods or services in question with the vendor at the prices bid and accepted by Plano, and Plano shall not be a party to the agreement between vendor and Pearland. Plano shall have no obligations for payment to vendor for any services or goods incurred by any party other than Plano. Any payments owed the vendor for services or goods shall be paid directly by Pearland. Pearland will be responsible for the vendor's compliance with provisions relating to the quality of items and terms of delivery, warranty enforcement, and any other terms or conditions of its agreement with the vendor.

IV.

TERMINATION

This Agreement may be terminated at any time, with or without cause, by either party giving thirty (30) days advance written notice to the other party.

V.

NOTICE

Notice as required by this Agreement shall be in writing delivered to the parties by facsimile or certified mail at the addresses listed below. Each party shall notify the other in writing within ten (10) days of any change in the information listed in this paragraph.

PLANO	**PEARLAND**
Diane Palmer-Boeck Director of Procurement and Project Management 1520 K Avenue, Suite 370 Plano, Texas 75074 Telephone: (972) 941-7557 Facsimile: (972) 461-6826	Trish Erndt Buyer 3519 Liberty Drive, Suite 201 Pearland, Texas 77581 Telephone: (281) 652-1767 Facsimile: (281) 652-1738

VI.

HOLD HARMLESS; MUTUAL RESPONSIBILITY

Each party does hereby agree to waive all claims against, release, and hold harmless the other party and its respective officials, officers, agents, employees, in both their public and private capacities, from any and all liability, claims, suits, demands, losses, damages, attorneys fees, including all expenses of litigation or settlement, or causes of action which may arise by reason of injury to or death of any person or for loss of, damage to, or loss of use of any property arising out of or in connection with this contract.

Plano and Pearland agree and acknowledge that this Agreement does not create a joint venture, partnership, or joint enterprise, and that each party is not an agent of the other entity and that each party is responsible in accordance with the laws of the State of Texas for its own negligent or wrongful acts or omissions and for those of its officers, agents or employees in conjunction with the performance of services covered under this Agreement, without waiving any governmental immunity available to Plano or Pearland under Texas law and without waiving any defenses of Plano or Pearland under Texas law. The provisions of this section are solely for the benefit of Plano and Pearland and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

VII.

ENTIRE AGREEMENT

This Agreement (with all referenced Exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of both parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Agreement. This Agreement cannot be modified without written supplemental agreement executed by both parties.

VIII.

VENUE; GOVERNING LAW

Exclusive venue in the event litigation is required to enforce rights or responsibilities under this Agreement shall be in Collin County, Texas. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of Texas or of any other state.

IX.

SEVERABILITY

The provisions of this Agreement are severable. In the event that any paragraph, section, subdivision, sentence, clause, or phrase of this agreement shall be found to be contrary to the law, or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of this Agreement. However, upon the occurrence of such event, either party may terminate this Agreement by giving the other party thirty (30) days written notice of its intent to terminate.

X.

AUTHORITY TO SIGN / CITY COUNCIL AUTHORIZATION

The undersigned officers and agents of the parties to this Agreement are duly authorized officials and possess the requisite authority to execute this Agreement on behalf of the parties hereto. Pearland has executed this Agreement pursuant to the duly authorized Pearland City Council Resolution No. _____ dated _____, 2016. Plano has executed this Agreement pursuant to the duly authorized Plano City Council Resolution No. 2016-6-5(R) dated June 13, 2016.

XI.

ASSIGNMENT AND SUBLETTING

The parties agree that the rights and duties contained in this Agreement will not be assigned or sublet without the prior written consent of both parties.

XII.

INTERPRETATION OF AGREEMENT

This is a negotiated Agreement. If any part of this Agreement is in dispute, the parties stipulate that the Agreement shall not be construed more favorably for either party.

XIII.

REMEDIES

No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy granted by law or equity; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without the express written consent of the parties. It is further agreed that one (1) or more instances of forbearance by either party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver of those rights or of any breach of this Agreement.

XIV.

CAPTIONS

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

XV.

COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Agreement is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Agreement to be executed.

XVI.

EFFECTIVE DATE

This Agreement shall be effective from and after the date of execution by the last signatory hereto as evidenced below.

IN WITNESS WHEREOF, the parties have executed this Agreement by signing below.

CITY OF PEARLAND, TEXAS

Date: _____

By: _____
Clay Pearson
CITY MANAGER

APPROVED AS TO FORM:

By: _____
Darrin M. Coker, CITY ATTORNEY

CITY OF PLANO, TEXAS

Date: _____ By: _____
Diane Palmer-Boeck
DIRECTOR OF PROCUREMENT
AND PROJECT MANAGEMENT

APPROVED AS TO FORM:

_____
Paige Mims, CITY ATTORNEY

ACKNOWLEDGMENTS

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2016 by **DIANE PALMER-BOECK, Director of Procurement and Project Management** of the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____day of _____, 2016 by **CLAY PEARSON, City Manager** of the **CITY OF PEARLAND, TEXAS**, a home-rule municipal corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-102
DATE SUBMITTED:	June 30, 2016	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	Michael Leech	**PRESENTOR:**	Michael Leech
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: **Resolution No. R2016-102** - A resolution of the City Council of the City of Pearland, Texas renewing a unit supply contract with Napa Auto Parts, Inc. in the estimated amount of $60,000 for auto parts for the period of July 11, 2016 through July 10, 2017.

EXHIBITS: R2016-102
Bid Tabulation

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☒ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $60,000 (est.) **AMOUNT BUDGETED:** $80,000
AMOUNT AVAILABLE: $80,000 **PROJECT NO.:**
ACCOUNT NO.: Various City department operating budgets.
ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The purpose of this agenda request is to award a unit price contract to Napa Auto Parts Inc. in the amount of $60,000. Please note that this is one of two agenda requests for the procurement of auto parts. It is staff's opinion that having two auto part vendors can improve vehicle repair times by providing staff with part sourcing options. For example, if one vendor does not have the needed part or parts in stock resulting in those parts needing to be shipped, it may be more expeditious to get the part from the second vendor.

Staff is comfortable with making this recommendation for two vendors as the pricing difference between the vendors is less than one percent. Please review the attached bid tab sheet for additional detail.

Four (4) sealed bids were received in response to the specifications of Bid No. 0216-21 for the supply of auto parts for use by the Fleet Department in the repair and maintenance of City vehicles. Bid notices were provided to over sixty (60) vendors through the City's e-bidding website and was published in the City's newspaper of record in accordance with City Purchasing Policy.

SCOPE OF CONTRACT

One (1) year agreement for the purchase of auto parts as needed for City vehicles.

BID AND AWARD

Bid specifications requested unit pricing on a selection of commonly-used items, as well as a percentage discount off of vendor's price list. Staff has verified that vendor's pricing did, in fact, reflect the discount in their bid response.

The initial contract term will be for a period of one (1) year, with two (2) additional one (1) year renewal options available upon the mutual agreement of both parties, and the approval of City Council. Bid specifications allow the awarded contractor to request a price increase at time of renewal of a percentage not to exceed the rate of increase in the Consumer Price Index (CPI) for the Houston-Galveston-Brazoria region during the prior 12 month period.

SCHEDULE

Supply of auto parts will occur as needed throughout the term of the agreement.

POLICY/GOAL CONSIDERATION

Purchase of these auto parts is needed for the repair and maintenance of City vehicles.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

Funding for these items come from various departmental accounts.

RECOMMENDED ACTION

City Council consideration and approval of City Council Resolution No. R2016-102 renewing a unit supply contract with Napa Auto Parts, Inc. in the estimated amount of $60,000 for auto parts for the period of July 11, 2016 through July 10, 2017.

RESOLUTION NO. R2016-102

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply contract for auto parts to Napa Auto Parts, Inc., in the estimated amount of $60,000 for the period of July 11, 2016 through July 10, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City previously opened supply bids for the supply of auto parts, and such bids were awarded.

Section 2. That the City Council hereby renews a bid to Napa Auto Parts, Inc., in the unit price amounts reflected in Exhibit "A" attached hereto.

Section 3. The City Manager or his designee is hereby authorized to execute a supply contract for auto parts.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

					Interstate All Battery Center		XL Parts, LP		Napa Auto Parts, Inc.		O'Reilly Auto Parts	
					Total Price	$1,728.80	Total Price	$3,928.18	Total Price	$4,069.92	Total Price	$5,169.96
Line #	Description	Mfgno	QTY	UOM	Unit	Extended	Unit	Extended	Unit	Extended	Unit	Extended
1	BATTERY	65PG	8	EA	$108.05	$864.40	$83.90	$671.20	$78.99	$631.92	$83.36	$666.88
2	BATTERY	65FLEET	8	EA	$108.05	$864.40	$74.55	$596.40	$91.99	$735.92	$78.34	$626.72
3	BRAKE PADS	MKD1364	6	PR	No Bid		$30.49	$182.94	$26.17	$157.02	No Bid	
4	BRAKE PADS	MKD1313	6	PR	No Bid		No Bid		$24.68	$148.08	$26.99	$161.94
5	BRAKE PADS	PBD931	6	PR	No Bid		$34.11	$204.66	$18.02	$108.12	$26.99	$161.94
6	BRAKE PADS	PBD932	6	PR	No Bid		$34.77	$208.62	$15.86	$95.16	$26.99	$161.94
7	ROTORS	PRT5326	6	EA	No Bid		$44.24	$265.44	$39.54	$237.24	$29.80	$178.80
8	ROTORS	PRT5353	6	EA	No Bid		$31.71	$190.26	$28.51	$171.06	$19.22	$115.32
9	ALTERNATOR	12622	4	EA	No Bid		$239.04	$956.16	$215.30	$861.20	$531.80	$2,127.20
10	BELT	K060935	4	EA	No Bid		$19.66	$78.64	$20.70	$82.80	$24.68	$98.72
11	BELT	K040355SF	4	EA	No Bid		$13.26	$53.04	$13.95	$55.80	$14.77	$59.08
12	WIPER BLADES	A22M	12	EA	No Bid		$7.99	$95.88	$12.67	$152.04	$11.99	$143.88
13	WIPER BLADES	31-22	12	EA	No Bid		$3.99	$47.88	$3.28	$39.36	$3.49	$41.88
14	WIPER BLADES	31-21	12	EA	No Bid		$3.99	$47.88	$3.28	$39.36	$3.49	$41.88
15	WIPER BLADES	31-20	12	EA	No Bid		$3.99	$47.88	$3.26	$39.12	$3.49	$41.88
16	HEADLIGHT	9008	6	EA	No Bid		$6.39	$38.34	$8.26	$49.56	$8.09	$48.54
17	SPOTLIGHT	4537	6	EA	No Bid		No Bid		$9.88	$59.28	$14.24	$85.44
18	HEADLIGHT ASSEMBLY	20-5234-90-1	4	EA	No Bid		$30.37	$121.48	$50.86	$203.44	$50.99	$203.96
19	HEADLIGHT ASSEMBLY	20-5233-90-1	4	EA	No Bid		$30.37	$121.48	$50.86	$203.44	$50.99	$203.96

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-101
DATE SUBMITTED:	June 30, 2016	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	Michael Leech	**PRESENTOR:**	Michael Leech
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: **Resolution No. R2016-101** - A resolution of the City Council of the City of Pearland, Texas renewing a unit supply contract with XL Parts, LP in the estimated amount of $20,000 for auto parts for the period of July 11, 2016 through July 10, 2017.

EXHIBITS: R2016-101
Bid Tabulation

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☒ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $20,000 (est.) **AMOUNT BUDGETED:** $80,000
AMOUNT AVAILABLE: $80,000 **PROJECT NO.:**
ACCOUNT NO.: Various City department operating budgets.
ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The purpose of this agenda request is to award a unit price contract to XL Auto Parts in the amount of $20,000. Please note that this is one of two agenda requests for the provision of auto parts. It is staff's opinion that having two auto part vendors can improve vehicle repair times by providing staff with part sourcing options. For example, if one vendor does not have the needed part or parts in stock resulting in those parts needing to be shipped, it may be more expeditious to get the part from the second vendor.

Staff is comfortable with making this recommendation for two vendors as the pricing difference between the vendors is less than one percent. Please review the attached bid tab sheet for additional detail.

Four (4) sealed bids were received in response to the specifications of Bid No. 0216-21 for the supply of auto parts for use by the Fleet Department in the repair and maintenance of City vehicles. Bid notices were provided to over sixty (60) vendors through the City's e-bidding website and was published in the City's newspaper of record in accordance with City Purchasing Policy.

SCOPE OF CONTRACT

One (1) year agreement for the purchase of auto parts as needed for City vehicles.

BID AND AWARD

Bid specifications requested unit pricing on a selection of commonly-used items, as well as a percentage discount off of vendor's price list. Staff has verified that vendor's pricing did, in fact, reflect the discount in their bid response.

The initial contract term will be for a period of one (1) year, with two (2) additional one (1) year renewal options available upon the mutual agreement of both parties, and the approval of City Council. Bid specifications allow the awarded contractor to request a price increase at time of renewal of a percentage not to exceed the rate of increase in the Consumer Price Index (CPI) for the Houston-Galveston-Brazoria region during the prior 12 month period.

SCHEDULE

Supply of auto parts will occur as needed throughout the term of the agreement.

POLICY/GOAL CONSIDERATION

Purchase of these auto parts is needed for the repair and maintenance of City vehicles.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

Funding for these items come from various departmental accounts.

RECOMMENDED ACTION

City Council consideration and approval of City Council Resolution No. R2016-101 renewing a unit supply contract with XL Parts, LP in the estimated amount of $20,000 for auto parts for the period of July 11, 2016 through July 10, 2017.

RESOLUTION NO. R2016-101

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply contract for auto parts to XL Parts LP, in the estimated amount of $20,000 for the period of July 11, 2016 through July 10, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City previously opened supply bids for the supply of auto parts, and such bids were awarded.

Section 2. That the City Council hereby renews a bid with XL Parts LP, in the unit price amounts reflected in Exhibit "A" attached hereto.

Section 3. The City Manager or his designee is hereby authorized to execute a supply contract for auto parts.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

					Interstate All Battery Center		XL Parts, LP		Napa Auto Parts, Inc.		O'Reilly Auto Parts	
					Total Price	$1,728.80	Total Price	$3,928.18	Total Price	$4,069.92	Total Price	$5,169.96
Line #	Description	Mfgno	QTY	UOM	Unit	Extended	Unit	Extended	Unit	Extended	Unit	Extended
1	BATTERY	65PG	8	EA	$108.05	$864.40	$83.90	$671.20	$78.99	$631.92	$83.36	$666.88
2	BATTERY	65FLEET	8	EA	$108.05	$864.40	$74.55	$596.40	$91.99	$735.92	$78.34	$626.72
3	BRAKE PADS	MKD1364	6	PR	No Bid		$30.49	$182.94	$26.17	$157.02	No Bid	
4	BRAKE PADS	MKD1313	6	PR	No Bid		No Bid		$24.68	$148.08	$26.99	$161.94
5	BRAKE PADS	PBD931	6	PR	No Bid		$34.11	$204.66	$18.02	$108.12	$26.99	$161.94
6	BRAKE PADS	PBD932	6	PR	No Bid		$34.77	$208.62	$15.86	$95.16	$26.99	$161.94
7	ROTORS	PRT5326	6	EA	No Bid		$44.24	$265.44	$39.54	$237.24	$29.80	$178.80
8	ROTORS	PRT5353	6	EA	No Bid		$31.71	$190.26	$28.51	$171.06	$19.22	$115.32
9	ALTERNATOR	12622	4	EA	No Bid		$239.04	$956.16	$215.30	$861.20	$531.80	$2,127.20
10	BELT	K060935	4	EA	No Bid		$19.66	$78.64	$20.70	$82.80	$24.68	$98.72
11	BELT	K040355SF	4	EA	No Bid		$13.26	$53.04	$13.95	$55.80	$14.77	$59.08
12	WIPER BLADES	A22M	12	EA	No Bid		$7.99	$95.88	$12.67	$152.04	$11.99	$143.88
13	WIPER BLADES	31-22	12	EA	No Bid		$3.99	$47.88	$3.28	$39.36	$3.49	$41.88
14	WIPER BLADES	31-21	12	EA	No Bid		$3.99	$47.88	$3.28	$39.36	$3.49	$41.88
15	WIPER BLADES	31-20	12	EA	No Bid		$3.99	$47.88	$3.26	$39.12	$3.49	$41.88
16	HEADLIGHT	9008	6	EA	No Bid		$6.39	$38.34	$8.26	$49.56	$8.09	$48.54
17	SPOTLIGHT	4537	6	EA	No Bid		No Bid		$9.88	$59.28	$14.24	$85.44
18	HEADLIGHT ASSEMBLY	20-5234-90-1	4	EA	No Bid		$30.37	$121.48	$50.86	$203.44	$50.99	$203.96
19	HEADLIGHT ASSEMBLY	20-5233-90-1	4	EA	No Bid		$30.37	$121.48	$50.86	$203.44	$50.99	$203.96

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-125
DATE SUBMITTED:	June 30, 2016	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	Norbert Gonzalez	**PRESENTOR:**	Michael Leech
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: R2016-125 - A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply contract for ditch cleaning services with Donmar Grading Inc., in the estimated amount of $210,000.00 for the period of August 1, 2016 through July 31, 2017.

EXHIBITS: Resolution #R2016-125
Bid Tabulation
Exhibit A, Photographs

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☐ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $210,000 estimated; $30,000 in FY16 and $180,000 in FY17
AMOUNT BUDGETED: $210,000 **AMOUNT AVAILABLE**: $210,000
PROJECT NO.:
ACCOUNT NO.: 100-305-310-5400.160

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND
The purpose of this agenda request is to renew a unit price contract for a one year term with Donmar Grading Inc. to provide ditch cleaning and grading services. Donmar performed these services satisfactorily throughout the prior 12 months and is therefore recommended for a contract renewal.

Bid specifications, pursuant to the specifications of Bid No. 0615-54 include pricing for the contractor to provide a preliminary survey for prospective work assignments, when requested by Public Works staff. This survey/drainage plan consists of a "before" profile of a given drainage ditch, and plan view indicating the affected ditch areas to be cleaned. Prior submittal of this data assures that the assigned work is necessary, that the proposed work properly addresses the drainage impediment(s), and provides the City with a reliable ditch condition database and an effective tool in scheduling of future maintenance.

SCOPE OF CONTRACT

Contractor will perform ditch cleaning services as required by the specifications of City Bid #0615-54.

BID AND AWARD

Two (2) bids were received, as reflected in the attached bid tabulation.

The low bidder, Donmar Grading Inc. is the incumbent supplier and Public Works operational staff reports a high degree of satisfaction with Donmar's responsiveness and quality of work. It is recommended that this renewal be awarded to Donmar Grading Inc. at the unit pricing reflected in the attached tabulation that reflects a 1.4% increase allowable per the current Consumer Price Index for Houston, Galveston, and Brazoria counties.

This award will provide for fixed unit costs for a period of one (1) year, with no allowable price increases. At the expiration of the initial term, there is a renewal option for two (2) additional years with the mutual agreement of both parties, and the subsequent approval of City Council. Any price increase request for a renewal period must be substantiated by a commensurate increase during the prior 12 month period in the "All Items" category of the Consumer Price Index for the Houston-Galveston-Brazoria region.

SCHEDULE

Awarded bidder will continue required ditch cleaning services immediately upon City Council approval.

POLICY/GOAL CONSIDERATION

Strategic Goal: Sustainable Infrastructure - This bid award will positively impact the City's goal to provide effective drainage for its residents.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE

Funding for these services will come from Public Works' operating budget.

RECOMMENDED ACTION

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply contract for Ditch Cleaning Services to Donmar Grading Inc., in the estimated amount of $210,000.00 for the period of August 1, 2016 through July 31, 2017.

RESOLUTION NO. R2016-125

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for ditch cleaning services with Donmar Grading, Inc., in the estimated amount of $220,000.00 for the period of August 1, 2016 through July 31, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City previously awarded a bid for ditch cleaning services.

Section 2. That the City Council hereby renews a unit supply bid with Donmar Grading, Inc., in the estimated amount of $220,000.00.

Section 3. The City Manager or his designee is hereby authorized to execute a contract for the purchase of ditch cleaning services.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Bid No. 0615-54 Addendum 1
Title Ditch Cleaning Services

Line Items

Line	Description	UOM	QTY	Donmar Grading Inc. Unit	Donmar Grading Inc. Extended	Donmar Grading Inc. With 1.4% CPI	Reliant Sand And Construction, Inc. Unit	Reliant Sand And Construction, Inc. Extended
1	Ditch cleaning services in accordance with specifications and bid documents.	LF	1	**$2.90**	**$2.90**	**$2.9406**	**$3.00**	**$3.00**
2	Cost to survey and submit plan and profile of proposed ditches to be cleaned, per linear foot.	LF	1	**$0.40**	**$0.40**	**$0.41**	**$0.75**	**$0.75**
			Total		**$3.30**	**$3.3462**		**$3.75**

Exhibit A – typical ditches before cleaning

Typical pre – cleaning ditch - Culvert ½ blocked by ditch sediment build-up

Typical pre – cleaning ditch – Culvert ½ blocked by ditch sediment build-up

Exhibit A – typical ditches after cleaning

Typical post – cleaning ditch - Ditch sediment removed, culvert cleaned

Typical post – cleaning ditch – Ditch sediment removed, culvert cleaned

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	**July 11, 2016**	**ITEM NO.:**	R2016-126
DATE SUBMITTED:	**June 30, 2016**	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	Tracy Sambrano	**PRESENTOR:**	Eric Wilson
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: Resolution No. R2016-126 A Resolution of the City Council of the City of Pearland, Texas, rejecting a bid for the installation of Auto Flushers and Sample Stations, in the estimated amount of $635,770 from K. R. Allen Industrial Services.

EXHIBITS: Resolution R2016-126
Exhibit A – Bid Tabulation

EXPENDITURE REQUIRED: $ AMOUNT BUDGETED: $
AMOUNT AVAILABLE: $
ACCOUNT NO.:
ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department

X Finance	**X Legal**	**Ordinance**	**X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The purpose of this agenda request is for the rejection of the single bid received for the provision and installation of potable water system automatic flushing (auto flushers) devices. **The bid came in far higher than estimated and staff does not find the submitted pricing to be a good value for the City.**

The City of Pearland currently has approximately 780 dead end waterlines within its water distribution system. The dead ends are being flushed manually on a monthly

basis by the operations staff in order to stay in compliance with TCEQ (State) rules and regulations.
In an effort to minimize the man-hours involved in maintaining dead end waterline compliance staff seeks the installation of twenty five auto flushers in high priority areas throughout the city to better serve our customers. In addition to the auto flushers twenty five sample stations were to be installed for monthly bacteriological sampling required by the TCEQ. Sample stations reduce the possibility of contamination by the use of private home hose bibs. These devices are completely enclosed, secured and aesthetically pleasing to the public. The stations are directly connected into the water main thus reducing the possibility of contaminated samples.

SCOPE OF CONTRACT

This project includes the installation of twenty-five auto flushers for use with dead end water lines and twenty-five sample stations for bacteriological samples required by the state.

BID AND AWARD

The project was advertised on May 19th, and May 26th of 2016 in the local newspaper, and 340 invitations were emailed via the City's E-Bid System. The bid was opened on June 7, 2016 via the City's E-Bid system. There was a response from one (1) bidder for the requested installation of auto flushers and sample stations. The required work will be performed in-house by proper public work staff as workload allows.

Staff is recommending that the bid be rejected due to the bid exceeding budget and due to the bid amount being inflated when compared with quotes that received for similar work.

RECOMMENDED ACTION

Staff recommends that **Council reject the bid results** for the installation of auto flushers and sample stations in the amount of $635,770.00 from K.R. Allen Industrial Services, LLC.

RESOLUTION NO. R2016-126

A Resolution of the City Council of the City of Pearland, Texas, rejecting a bid for the installation of Auto Flushers and Sample Stations, in the estimated amount of $635,770 from K. R. Allen Industrial Services.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City solicited bids for the installation of Auto Flushers and Sample Stations, and such bids have been reviewed and tabulated.

Section 2. That the City only received one bid for the installation of Auto Flushers and Sample Stations and such bid exceeded the amount that would represent a good value for the City.

Section 3. That the City Council hereby rejects the bid submitted by K. R. Industrial Services, in the estimated amount of $635,770.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Exhibit A

Bid No. 0516-40
Title Auto Flushers and Sample Stations
Specification Responses K.R. Allen Industrial Services, LLC

Line	Description	UOM	QTY	Unit	Extended
1	Installation of Auto Flushers	EA	25	**$5,157.80**	**$128,945.00**
2	Installation of Sample Stations	EA	25	**$5,157.80**	**$128,945.00**
3	Excavation Work	Lump Sum	1	**$376,480.00**	**$376,480.00**
4	Miscellaneous Parts	Lump Sum	1	**$1,400.00**	**$1,400.00**
			Total		**$635,770.00**

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-122
DATE SUBMITTED:	June 24, 2016	**DEPT. OF ORIGIN:**	Finance
PREPARED BY:	Bob Pearce	**PRESENTOR:**	Bob Pearce
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: Resolution No. R2016-122 - A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for the purchase of Debris Management Services to Ceres Environmental (Primary Contractor), and CrowderGulf, LLC (Secondary Contractor), for the period of August 1, 2016 to July 31, 2017.

EXHIBITS: Resolution #R2016-122
Debris Management Pricing Worksheets – Ceres Environmental & Crowder Gulf, LLC

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☐ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED:** N/A
AMOUNT AVAILABLE: N/A **PROJECT NO.:**
ACCOUNT NO.: N/A

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

It is necessary for the City to retain the services of a debris management contractor for the collection and disposal of disaster-related debris after an emergency event. As a result of an in-house request for proposals, City Council awarded a contract in July, 2015 with Ceres Environmental Services, Inc. as primary provider, and CrowderGulf, LLC as secondary, for post-

event debris management services for a term of one (1) year, with four (4) one-year renewal options available, the first of which is represented in this request.

SCOPE OF CONTRACT

Provision of debris management services as needed for post-disaster recovery for the City of Pearland.

BID AND AWARD

In July, 2015, Council approved a bid award to Ceres Environmental as the highest-rated RFP respondent, with an expiration date of July 31, 2016. The respective service rate schedules for Ceres Environmental and CrowderGulf, LLC are attached for review. Since the time of this award, Ceres Environmental has been extremely proactive and responsive during any period of increased disaster-related risk for the City (i.e., pending weather events and the like).

Public Works management personnel concur and support the recommendation for renewal of this contingency agreement with Ceres Environmental for debris management services; predominantly including, but not limited to: collection, transportation and reduction of vegetative, commercial and demolition debris from City property and Right of Ways, and haul-out of reduced debris to final disposal.

SCHEDULE

Contractor will provide as-needed debris management services, upon appropriate disaster declaration(s), through July 31, 2017.

POLICY/GOAL CONSIDERATION

This purchase is contemplated and recommended pursuant to the City's Safe Community objective for its residents.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

Should the City not require these services during the contract period, there is no cost. It is anticipated that any expenditures borne by the City for any services under this contract would be eligible for FEMA reimbursement.

RECOMMENDED ACTION

Resolution No. R2016-122 A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for the purchase of Debris Management Services to Ceres Environmental as primary contractor, and CrowderGulf, LLC as secondary, at the pricing reflected in the attached rate worksheets for the respective vendors for the period of August 1, 2016 to July 31, 2017.

RESOLUTION NO. R2016-122

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for the purchase of Debris Management Services to Ceres Environmental (Primary Contractor), and CrowderGulf, LLC (Secondary Contractor), for the period of August 1, 2016 to July 31, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City previously awarded bids for Debris Management Services.

Section 2. That the City Council hereby awards bids to Ceres Environmental Services, Inc. (Primary Contractor) and CrowderGulf, LLC (Secondary Contractor), for Debris Management Services.

Section 3. The City Manager or his designee is hereby authorized to execute contracts for Debris Management Services.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

Ceres Environmental Services, Inc.		EST. QUANTITY	COST	
1. Emergency Road Clearance Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the clearing of eligible debris from ROW and critical City of Pearland-owned infrastructure. Limited to 70 hours post-event unless extended by authorized City of Pearland personnel.		No Qty. Estimate	**$ Per Hour:** $295.00	
2. ROW Vegetative Debris Removal (Collect & Haul) Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible vegetative debris on the ROW and City of Pearland-owned property to an approved DMS or other designated disposal facility.		QTY (CY)	**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	200,000	$7.28	$83.72
B	15.1 to 30 miles	120,000	$7.68	$88.32
C	30.1 to 60 miles	10,000	$8.08	$92.92
D	60.1 miles and over	10,000	$8.48	$97.52
3. ROW C&D Debris Removal (Collect & Haul) Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible C&D debris on the ROW and City of Pearland-owned property to an approved disposal facility.		QTY (CY)	**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	40,000	$8.28	$91.08
B	15.1 to 30 miles	25,000	$8.48	$93.28
C	30.1 to 60 miles	10,000	$8.68	$95.48
D	60.1 miles and over	10,000	$8.88	$97.68

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

Ceres Environmental Services, Inc.		EST. QUANTITY	COST	
4. Private Property Vegetative Debris Removal Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible vegetative debris on private property to an approved DMS or other designated disposal facility. Only activated if authorized by FEMA.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	$11.78	$135.47
B	15.1 to 30 miles		$12.18	$140.07
C	30.1 to 60 miles		$12.58	$144.67
D	60.1 miles and over		$12.98	$149.27
5. Private Property C&D Debris Removal Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible C&D debris on private property to an approved disposal facility. Only activated if authorized by FEMA.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	$12.78	$140.58
B	15.1 to 30 miles		$12.98	$142.78
C	30.1 to 60 miles		$13.18	$144.98
D	60.1 miles and over		$13.38	$147.18
6. Demolition, Removal, Transport, and Demolition of Eligible Non-RACM Structures Work consists of all labor, equipment, fuel, and associated costs necessary to demolish, remove, transport, and dispose of eligible non-RACM structures on private property.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	$19.49	$116.94
B	15.1 to 30 miles		$20.49	$122.94
C	30.1 to 60 miles		$22.99	$137.94
D	60.1 miles and over		$24.99	$149.94

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

Ceres Environmental Services, Inc.		EST. QUANTITY	COST	
7. Demolition, Removal, Transport, and Demolition of Eligible RACM Structures Work consists of all labor, equipment, fuel, and associated costs necessary to demolish, remove, transport, and dispose of eligible RACM structures on private property.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	$25.49	$152.94
B	15.1 to 30 miles		$26.49	$158.94
C	30.1 to 60 miles		$28.99	$173.94
D	60.1 miles and over		$30.99	$185.94
8. DMS Management and Operations Work consists of all labor, equipment, fuel, and associated costs necessary for the construction, management, operation and remediation of DMS for acceptance, management, segregation, and staging of disaster related debris.		No Qty. Estimate	**$ Per Cubic Yard** $0.98	**$ Per Ton** $10.78
9. Reduction of Debris Through Grinding Work consists of all labor, equipment, fuel, and miscellaneous costs necessary to reduce disaster generated debris through grinding.		No Qty. Estimate	**$ Per Cubic Yard** $3.75	**$ Per Ton** $18.75
10. Reduction of Debris Through Air Curtain Incineration Work consists of all labor, equipment, fuel, and miscellaneous costs necessary to reduce disaster generated debris through air curtain incineration.		No Qty. Estimate	**$ Per Cubic Yard** $2.90	**$ Per Ton** $17.75
11. Reduction of Debris Through Open Burn Work consists of all labor, equipment, fuel, and miscellaneous costs necessary to reduce disaster generated debris through open burn.		No Qty. Estimate	**$ Per Cubic Yard** $1.90	**$ Per Ton** $12.90

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

Ceres Environmental Services, Inc.		EST. QUANTITY	COST	
12. Haul-out of Reduced Debris to Final Disposal Site Work consists of all labor, equipment, fuel, and associated costs necessary for loading and transporting reduced debris at an approved DMS to a final disposal facility. Includes both residual ash from incineration or burn operations and residual mulch from grinding operations.		QTY (CY)	**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	50,000	$3.45	$15.18
B	15.1 to 30 miles	30,000	$3.65	$16.06
C	30.1 to 60 miles	10,000	$4.25	$18.70
D	60.1 miles and over	10,000	$4.85	$21.34
13. Removal of Eligible Hazardous Leaning Trees and Hanging Limbs Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible hazardous leaning or hanging limbs and placement of them on the ROW for haul-off.			**$ Per Tree**	
A	6 inch to 12 inch diameter measured 4.5 feet above the ground	No Qty. Estimate	$92.00	
B	13 inch to 24 inch diameter measured 4.5 feet above the ground		$145.00	
C	25 inch to 36 inch diameter measured 4.5 feet above the ground		$210.00	
D	37 inch to 48 inch diameter measured 4.5 feet above the ground		$325.00	
E	49 inch and larger diameter measured 4.5 feet above the ground		$440.00	
F	Hanger Removal (2" or greater at the break and price per Tree)		$92.00	
14. Removal of Eligible Hazardous Stumps Work consists of all labor, equipment, backfill, fuel, traffic control and associated costs necessary for the removal of eligible hazardous stumps and transportation to an approved DMS or other designated disposal facility.		QTY (CY)	**$ Per Stump**	
A	24 inch to 36 inch diameter measured 24 inches above the ground	500	$100.00	
B	37 inch to 48 inch diameter measured 24 inches above the ground	400	$135.00	
C	49 inch and larger diameter measured 24 inches above the ground	300	$160.00	

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

Ceres Environmental Services, Inc.		EST. QUANTITY	COST	
15. Removal of Eligible Hazardous Leaning Trees and Hanging Limbs from Private Property Work consists of all labor, equipment, fuel, and associated costs necessary for the removal of eligible hazardous leaning or hanging limbs on private property and hauled under Line Item No. 4. Only activated if authorized by FEMA.			**$ Per Tree**	
A	6 inch to 12 inch diameter measured 4.5 feet above the ground	No Qty. Estimate	$50.00	
B	13 inch to 24 inch diameter measured 4.5 feet above the ground		$100.00	
C	25 inch to 36 inch diameter measured 4.5 feet above the ground		$225.00	
D	37 inch to 48 inch diameter measured 4.5 feet above the ground		$400.00	
E	49 inch and larger diameter measured 4.5 feet above the ground		$550.00	
F	Hanger Removal (2" or greater at the break and price per Tree)		$117.00	
16. Removal of Eligible Hazardous Stumps from Private Property Work consists of all labor, equipment, backfill, fuel, and associated costs necessary for the removal of eligible hazardous stumps on private property and transportation to an approved DMS or other designated disposal facility. Only activated if authorized by FEMA.			**$ Per Stump**	
A	24 inch to 36 inch diameter measured 24 inches above the ground	No Qty. Estimate	$175.00	
B	37 inch to 48 inch diameter measured 24 inches above the ground		$210.00	
C	49 inch and larger diameter measured 24 inches above the ground		$235.00	
17. Removal of Eligible White Goods Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection of eligible white goods, removal of refrigerants, transportation to an approved DMS, decontamination, and transportation to an approved final disposal facility.			**$ Per Each**	
A	Without Freon recovery	No Qty. Estimate	$45.00	
B	With Freon recovery		$79.00	

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

Ceres Environmental Services, Inc.		EST. QUANTITY	COST	
18. Removal of Refrigerator Contents/Non-Hazardous Waste Work consists of collection, hauling and disposal of refrigerator contents, spoiled food, non-hazardous waste to an approved DMS or other designated disposal facility.		No Qty. Estimate	**$ Per Cubic Yard** $75.00	**$ Per Ton** 600.00
19. Removal of Eligible Used Electronics Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection of eligible used electronics and transportation to an approved final disposal facility.		No Qty. Estimate	**$ Per Cubic Yard** $60.00	**$ Per Ton** 2400.00
20. Removal of Hazardous Household Waste Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible HHW and transportation to an approved final disposal facility.		No Qty. Estimate	**$ Per Pound** $9.98	
21. Removal of Abandoned Eligible Vessel Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible abandoned vessels and transportation to an approved staging area.			**$ Per Linear Foot**	
A	Land-based removal of sunken vessels with keeled hulls	No Qty. Estimate	$95.00	
B	Marine-based removal of sunken vessels with keeled hulls		$135.00	
C	Abandoned vessels on ROW or public property with keeled hulls		$85.00	
D	Land-based removal of sunken vessels with flat or v-hulls		$85.00	
E	Marine-based removal of sunken vessels with flat or v-hulls		$115.00	
F	Abandoned vessels on ROW or public property with flat or v-hulls		$65.00	

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM				
Ceres Environmental Services Inc.		EST. QUANTITY	COST	
22. Removal Abandoned Eligible Vehicle Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible abandoned vehicles and transportation to an approved staging area.			$ Per Each	
A	Removal of abandoned vehicles on ROW or public property	No Qty. Estimate	300.00	
B	Operation of vehicle and vessel storage site each day		1,000.00	
23. Removal and Disposal of Eligible Animal Carcass Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible animal carcasses and transportation to an approved final disposal facility.		No Qty. Estimate	$ Per Pound 2.60	
24. Removal of Eligible Tires Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible tires and transportation to an approved final disposal facility.		No Qty. Estimate	$ Per Each 28.00	
25. Removal of Eligible Gasoline Powered Tools Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible gasoline powered tools and transportation to an approved final disposal facility.		No Qty. Estimate	$ Per Each 55.00	
26. Removal of Silt and Mud Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible silt and mud on ROW and City of Pearland-owned property to an approved DMS or other designated disposal facility.			$ Per Cubic Yard	$ Per Ton
A	0 to 15 miles	No Qty. Estimate	10.50	$26.25
B	15.1 to 30 miles		11.50	$28.75
C	30.1 to 60 miles		13.50	$33.75
D	60.1 miles and over		15.50	$38.75

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

Ceres Environmental Services, Inc.		EST. QUANTITY	COST	
27. Collection, Staging and Screening of Sand Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal, staging and screening of eligible sand deposited on ROW or City of Pearland-owned property and return of clean sand to location designated by City of Pearland.			**$ Per Cubic Yard**	**$ Per Ton**
A	Collection of sand, 0-10 miles	No Qty. Estimate	9.75	24.38
B	Collection of sand, 10 miles and over		10.75	26.88
C	Staging and screening of sand at Sand Staging Site		4.90	26.00
D	Return of clean sand, 0-10 miles		6.50	16.25
E	Return of clean sand, 10 miles and over		9.50	18.75
28. Cradle to Grave: ROW Vegetative Debris Work consists of ROW collection, reduction via grinding, DEBRIS MANAGEMENT operations haul-out, and final disposal into a licensed, permitted disposal facility in accordance with local, state, and federal law. All final disposal facilities shall be approved by the City Debris Manager.		No Qty. Estimate	**$ Per Cubic Yard** 14.56	**$ Per Ton** 145.60
29. Cradle to Grave: ROW C&D Debris Work consists of ROW collection, compaction transportation, DEBRIS MANAGEMENT operations (if required), haul-out, (if required), and final disposal into a licensed, permitted disposal facility in accordance with local, state, and federal law. All final disposal facilities shall be approved by the City Debris Manager.		No Qty. Estimate	**$ Per Cubic Yard** 14.56	**$ Per Ton** 145.60

Notes:

1. Line Items No. 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 are based on incoming debris to DMS or final disposal.
2. Line Item No. 12 is based on outgoing debris from DMS.
3. If any line item is left blank or "N/A" is used in place of a price, the Price Proposal may be declared irregular and City of Pearland may reject the proposal.
4. In submitting a proposal, the Proposer acknowledges they have read and agree to the solicitation terms and conditions and their proposal is made in conformance with those terms and conditions.

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT B

HOURLY RATE PRICE FORM

Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the clearing and/or removal of debris and/or silt/mud accumulated or deposited on ROW or Authorized City-owned property. Line items should be priced by the hour, as pricing for equipment shall only be applied when requested by City and while operating.

Line #	Item	$ Per Hour
1	JD 544 Wheel Loader with Debris Grapple or Bucket	$139.38
2	JD 644 Wheel Loader with Debris Grapple or Bucket	$151.12
3	Extendaboom Forklift with Debris Grapple	$79.26
4	Skid Steer, 1,000lb capacity	$72.05
5	Skid Steer, 2,000lb capacity	$75.65
6	753 Bobcat Skid Steer Loader with Debris Grapple	$79.26
7	753 Bobcat Skid Steer Loader with Bucket	$75.65
8	753 Bobcat Skid Steer Loader with Street Sweeper	$86.46
9	2-2.5CYs Articulated Loader with Bucket	$125.00
10	3-4CYs Articulated Loader with Bucket	$135.00
11	CAT 730 Articulating End Dump or similar	$132.05
12	CAT D3 Dozer	$162.78
13	CAT D4 Dozer	$168.01
14	CAT D5 Dozer	$171.74
15	CAT D6 Dozer	$177.34
16	CAT D7 Dozer	$194.14
17	CAT D8 Dozer	$216.54
18	CAT 125-140 Motor Grader	$186.68
19	JD 690 Track Hoe with Debris Grapple	$216.54
20	JD 690 Track Hoe with Bucket and Thumb	$209.08
21	Rubber Tired Excavator with Debris Grapple	$208.00
22	JD 310 Rubber Tired Excavator with Debris Grapple	$129.11
23	Hydraulic Excavator, 1.5CYs	$209.08
24	Hydraulic Excavator, 2.5CYs	$224.01
25	210 Prentice Knuckleboom with Debris Grapple	$161.39
26	CAT 623 Self Loader Scraper	$130.00
27	Hand Fed Debris Chipper	$102.70
28	300-400 HP Grinder	$415.00

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT B

Line #	Item	$ Per Hour
29	800-1000 HP Grinder	$475.00
30	15-Ton Crane	$170.00
31	30-Ton Crane	$290.00
32	50-Ton Crane	$390.00
33	100-Ton Crane	$520.00
34	40'-60' Bucket Truck	$215.00
35	60' or Greater Bucket Truck	$245.00
36	Street Sweeper	$86.46
37	Crash Truck	$90.00
38	Fuel/Service Truck	$90.00
39	Water Truck 2000 Gallon	$90.00
40	Vacuum Truck	$228.00
41	Portable Light Plant	$29.00
42	Scissor Lift, Telescoping	$22.01
43	Lowboy Trailer with Tractor	$95.37
44	Flatbed Truck	$84.36
45	Pick Up Truck (Unmanned)	$15.00
46	Self Loading Truck with Debris Grapple, 25-60CYs	$195.00
47	Self Loading Truck with Debris Grapple with Trailer, 65-120CYs	$215.00
48	Single Axle Dump Truck 5-12CYs	$80.00
49	Tandem Axle Dump Truck 16-20CYs	$82.00
50	Tandem Axle Dump Truck 21-30CYs	$86.00
51	Tandem Axle Dump Truck 31-50CYs	$88.00
52	Tandem Axle Dump Truck 51-80CYs	$92.00
53	Tandem Axle Dump Truck / Tractor Trailer Over 80CYs	$92.00
54	Power Screen	$125.00
55	Stacking Conveyor	$17.00
56	Chainsaw	$6.00
57	5kW Portable/Mobile Generator	$349.38
58	10kW Portable/Mobile Generator	$425.03
59	20kW Portable/Mobile Generator	$472.62
60	40kW Portable/Mobile Generator	$865.19
61	60kW Portable/Mobile Generator	$1,025.85

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT B

Line #	Item	$ Per Hour
62	80kW Portable/Mobile Generator	$ 84.06
63	100kW Portable/Mobile Generator	$ 92.55
64	120kW Portable/Mobile Generator	$ 114.65
65	150kW Portable/Mobile Generator	$ 130.36
66	175kW Portable/Mobile Generator	$ 146.51
67	200kW Generator	$ 162.26
68	240kW Generator	$ 202.71
69	320kW Generator	$ 256.53
70	500kW Generator	$ 396.08
71	640kW Generator	$ 512.03
72	750kW Generator	$ 597.17
73	1000kW Generator	$ 791.39
74	1500kW Generator	$ 1,135.99
75	2000kW Generator	$ 1,429.01
76	2250kW Generator	$ 1,643.86
77	Pump, 95HP (minimum 25' intake and 200' discharge)	$36.68
78	Pump, 200HP (minimum 25' intake and 200' discharge)	$61.62
79	Pump, 650HP (minimum 25' intake and 200' discharge)	$95.37
80	Temporary Office Trailer	$10.00
81	Response Trailer 20'	$18.00
82	Response Trailer 36'	$25.00
83	Mobile Command Center	$25.00
84	Laborer with Hand Tools	$37.00
85	Flagger	$37.00
86	Skilled Sawman	$44.00
87	Climber with Gear	$55.00
88	Crew Foreman with Truck and Communications	$61.00
89	Operations Manager with Truck and Communications	$87.00
90	Superintendent with Truck and Communications	$75.00

Notes:

1. To achieve the Overtime Rate, the City shall add a flat rate of $25.00 per hour for each piece of manned equipment.
2. The Overtime Rate shall apply following the 8 consecutive hours of work during a weekday, all day Saturday, Sunday and holidays.

JOINT WRITTEN ACTION OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF CERES ENVIRONMENTAL SERVICES, INC.

The undersigned, being the sole member of the Board of Directors and the sole shareholder of Ceres Environmental Services, Inc., a Minnesota corporation (the "Corporation"), does hereby adopt the following resolution in writing effective as of the 6th day of May, 2013:

WHEREAS, the Corporation desires to appoint David Preus to the Corporate Officer position of Vice President. The Vice President will report to, and be subordinate to, and is required to act in the best interest of the Corporation under the direction and supervision of the President.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, BE IT:

RESOLVED, that David Preus is appointed to the Corporate Officer position of Vice President.

IN WITNESS WHEREOF, the undersigned Board of Directors and Shareholders have set their hands effective as of the day first written above.

David McIntyre
Sole Director and Sole Shareholder
Ceres Environmental Services, Inc.

Steven M. Johnson
Secretary of Corporation
Ceres Environmental Services, Inc.

JOINT WRITTEN ACTION OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF CERES ENVIRONMENTAL SERVICES, INC.

The undersigned, being the sole member of the Board of Directors and the sole shareholder of Ceres Environmental Services, Inc., a Minnesota corporation (the "Corporation"), does hereby adopt the following resolution in writing pursuant to Minnesota Statutes Section 302A.239 and 302A.341 effective as of the 21st day of July, 2008:

WHEREAS, the Corporation desires to prepare and submit proposals and bids in response to various government solicitations, requests for bids, and requests for proposals and the Corporation desires to grant the authority to the Secretary of the Corporation, Steven M. Johnson, to sign and submit such bids on behalf of the Corporation,

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, BE IT:

RESOLVED, that Ceres Environmental Services, Inc. grants Steven M. Johnson, Secretary of the Corporation, the authority to sign and bind the Corporation in matters related to the preparation and submittal of bids and responses to requests for proposals to government entities and agencies.

IN WITNESS WHEREOF, the undersigned Board of Directors and Shareholders have set their hands effective as of the day first written above.

David McIntyre, President
Sole Director and Sole Shareholder

Steven M. Johnson
Secretary of Corporation

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

2015 CrowderGulf Pricing for City of Pearland, TX		EST. QUANTITY	COST	
1. Emergency Road Clearance Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the clearing of eligible debris from ROW and critical City of Pearland-owned infrastructure. Limited to 70 hours post-event unless extended by authorized City of Pearland personnel.		No Qty. Estimate	$ Per Hour: 160.00	
2. ROW Vegetative Debris Removal (Collect & Haul) Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible vegetative debris on the ROW and City of Pearland-owned property to an approved DMS or other designated disposal facility.		QTY (CY)	$ Per Cubic Yard	$ Per Ton
A	0 to 15 miles	200,000	7.00	69.00
B	15.1 to 30 miles	120,000	7.50	74.00
C	30.1 to 60 miles	10,000	8.25	82.00
D	60.1 miles and over	10,000	9.00	90.00
3. ROW C&D Debris Removal (Collect & Haul) Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible C&D debris on the ROW and City of Pearland-owned property to an approved disposal facility.		QTY (CY)	$ Per Cubic Yard	$ Per Ton
A	0 to 15 miles	40,000	7.00	69.00
B	15.1 to 30 miles	25,000	7.50	74.00
C	30.1 to 60 miles	10,000	8.25	82.00
D	60.1 miles and over	10,000	9.00	90.00

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

		EST. QUANTITY	COST	
4. Private Property Vegetative Debris Removal Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible vegetative debris on private property to an approved DMS or other designated disposal facility. Only activated if authorized by FEMA.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	7.50	74.00
B	15.1 to 30 miles		8.00	80.00
C	30.1 to 60 miles		8.50	84.00
D	60.1 miles and over		9.50	94.00
5. Private Property C&D Debris Removal Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible C&D debris on private property to an approved disposal facility. Only activated if authorized by FEMA.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	7.50	74.00
B	15.1 to 30 miles		8.00	80.00
C	30.1 to 60 miles		8.50	84.00
D	60.1 miles and over		9.50	94.00
6. Demolition, Removal, Transport, and Demolition of Eligible Non-RACM Structures Work consists of all labor, equipment, fuel, and associated costs necessary to demolish, remove, transport, and dispose of eligible non-RACM structures on private property.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	7.50	74.00
B	15.1 to 30 miles		8.00	80.00
C	30.1 to 60 miles		8.50	84.00
D	60.1 miles and over		9.50	94.00

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

		EST. QUANTITY	COST	
7. Demolition, Removal, Transport, and Demolition of Eligible RACM Structures Work consists of all labor, equipment, fuel, and associated costs necessary to demolish, remove, transport, and dispose of eligible RACM structures on private property.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	8.00	80.00
B	15.1 to 30 miles		9.00	90.00
C	30.1 to 60 miles		10.00	98.00
D	60.1 miles and over		12.00	110.00
8. DMS Management and Operations Work consists of all labor, equipment, fuel, and associated costs necessary for the construction, management, operation and remediation of DMS for acceptance, management, segregation, and staging of disaster related debris.		No Qty. Estimate	**$ Per Cubic Yard** 1.00	**$ Per Ton** 10.00
9. Reduction of Debris Through Grinding Work consists of all labor, equipment, fuel, and miscellaneous costs necessary to reduce disaster generated debris through grinding.		No Qty. Estimate	**$ Per Cubic Yard** 2.70	**$ Per Ton** 27.00
10. Reduction of Debris Through Air Curtain Incineration Work consists of all labor, equipment, fuel, and miscellaneous costs necessary to reduce disaster generated debris through air curtain incineration.		No Qty. Estimate	**$ Per Cubic Yard** 2.00	**$ Per Ton** 20.00
11. Reduction of Debris Through Open Burn Work consists of all labor, equipment, fuel, and miscellaneous costs necessary to reduce disaster generated debris through open burn.		No Qty. Estimate	**$ Per Cubic Yard** 1.30	**$ Per Ton** 13.00

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

		EST. QUANTITY	COST	
12.	**Haul-out of Reduced Debris to Final Disposal Site** Work consists of all labor, equipment, fuel, and associated costs necessary for loading and transporting reduced debris at an approved DMS to a final disposal facility. Includes both residual ash from incineration or burn operations and residual mulch from grinding operations.	QTY (CY)	**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	50,000	2.90	28.00
B	15.1 to 30 miles	30,000	3.50	34.00
C	30.1 to 60 miles	10,000	4.50	42.00
D	60.1 miles and over	10,000	5.90	52.00
13.	**Removal of Eligible Hazardous Leaning Trees and Hanging Limbs** Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible hazardous leaning or hanging limbs and placement of them on the ROW for haul-off.		**$ Per Tree**	
A	6 inch to 12 inch diameter measured 4.5 feet above the ground	No Qty. Estimate	25.00	
B	13 inch to 24 inch diameter measured 4.5 feet above the ground		70.00	
C	25 inch to 36 inch diameter measured 4.5 feet above the ground		90.00	
D	37 inch to 48 inch diameter measured 4.5 feet above the ground		150.00	
E	49 inch and larger diameter measured 4.5 feet above the ground		200.00	
F	Hanger Removal (2" or greater at the break and price per Tree)		70.00	
14.	**Removal of Eligible Hazardous Stumps** Work consists of all labor, equipment, backfill, fuel, traffic control and associated costs necessary for the removal of eligible hazardous stumps and transportation to an approved DMS or other designated disposal facility.	QTY (CY)	**$ Per Stump**	
A	24 inch to 36 inch diameter measured 24 inches above the ground	500	120.00	
B	37 inch to 48 inch diameter measured 24 inches above the ground	400	150.00	
C	49 inch and larger diameter measured 24 inches above the ground	300	200.00	

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

		EST. QUANTITY	COST	
15.	**Removal of Eligible Hazardous Leaning Trees and Hanging Limbs from Private Property** Work consists of all labor, equipment, fuel, and associated costs necessary for the removal of eligible hazardous leaning or hanging limbs on private property and hauled under Line Item No. 4. Only activated if authorized by FEMA.		**$ Per Tree**	
A	6 inch to 12 inch diameter measured 4.5 feet above the ground	No Qty. Estimate	25.00	
B	13 inch to 24 inch diameter measured 4.5 feet above the ground		75.00	
C	25 inch to 36 inch diameter measured 4.5 feet above the ground		125.00	
D	37 inch to 48 inch diameter measured 4.5 feet above the ground		200.00	
E	49 inch and larger diameter measured 4.5 feet above the ground		250.00	
F	Hanger Removal (2" or greater at the break and price per Tree)		70.00	
16.	**Removal of Eligible Hazardous Stumps from Private Property** Work consists of all labor, equipment, backfill, fuel, and associated costs necessary for the removal of eligible hazardous stumps on private property and transportation to an approved DMS or other designated disposal facility. Only activated if authorized by FEMA.		**$ Per Stump**	
A	24 inch to 36 inch diameter measured 24 inches above the ground	No Qty. Estimate	130.00	
B	37 inch to 48 inch diameter measured 24 inches above the ground		175.00	
C	49 inch and larger diameter measured 24 inches above the ground		225.00	
17.	**Removal of Eligible White Goods** Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection of eligible white goods, removal of refrigerants, transportation to an approved DMS, decontamination, and transportation to an approved final disposal facility.		**$ Per Each**	
A	Without Freon recovery	No Qty. Estimate	20.00	
B	With Freon recovery		30.00	

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

	EST. QUANTITY	COST	
18. Removal of Refrigerator Contents/Non-Hazardous Waste Work consists of collection, hauling and disposal of refrigerator contents, spoiled food, non-hazardous waste to an approved DMS or other designated disposal facility.	No Qty. Estimate	$ Per Cubic Yard 30.00	$ Per Ton 400.00
19. Removal of Eligible Used Electronics Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection of eligible used electronics and transportation to an approved final disposal facility.	No Qty. Estimate	$ Per Cubic Yard 30.00	$ Per Ton 400.00
20. Removal of Hazardous Household Waste Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible HHW and transportation to an approved final disposal facility.	No Qty. Estimate	$ Per Pound 4.00	
21. Removal of Abandoned Eligible Vessel Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible abandoned vessels and transportation to an approved staging area.		$ Per Linear Foot	
A Land-based removal of sunken vessels with keeled hulls	No Qty. Estimate	20.00	
B Marine-based removal of sunken vessels with keeled hulls		30.00	
C Abandoned vessels on ROW or public property with keeled hulls		20.00	
D Land-based removal of sunken vessels with flat or v-hulls		15.00	
E Marine-based removal of sunken vessels with flat or v-hulls		20.00	
F Abandoned vessels on ROW or public property with flat or v-hulls		15.00	

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

		EST. QUANTITY	COST	
22. Removal Abandoned Eligible Vehicle Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible abandoned vehicles and transportation to an approved staging area.			**$ Per Each**	
A	Removal of abandoned vehicles on ROW or public property	No Qty. Estimate	200.00	
B	Operation of vehicle and vessel storage site each day		400.00	
23. Removal and Disposal of Eligible Animal Carcass Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible animal carcasses and transportation to an approved final disposal facility.		No Qty. Estimate	**$ Per Pound** 0.50	
24. Removal of Eligible Tires Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible tires and transportation to an approved final disposal facility.		No Qty. Estimate	**$ Per Each** 7.00	
25. Removal of Eligible Gasoline Powered Tools Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal of eligible gasoline powered tools and transportation to an approved final disposal facility.		No Qty. Estimate	**$ Per Each** 30.00	
26. Removal of Silt and Mud Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the collection and transportation of eligible silt and mud on ROW and City of Pearland-owned property to an approved DMS or other designated disposal facility.			**$ Per Cubic Yard**	**$ Per Ton**
A	0 to 15 miles	No Qty. Estimate	8.00	75.00
B	15.1 to 30 miles		9.00	85.00
C	30.1 to 60 miles		10.00	95.00
D	60.1 miles and over		11.00	100.00

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT A

UNIT RATE PRICE FORM

		EST. QUANTITY	COST	
27. Collection, Staging and Screening of Sand Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the removal, staging and screening of eligible sand deposited on ROW or City of Pearland-owned property and return of clean sand to location designated by City of Pearland.			**$ Per Cubic Yard**	**$ Per Ton**
A	Collection of sand, 0-10 miles	No Qty. Estimate	8.00	75.00
B	Collection of sand, 10 miles and over		8.50	80.00
C	Staging and screening of sand at Sand Staging Site		9.00	85.00
D	Return of clean sand, 0-10 miles		7.00	65.00
E	Return of clean sand, 10 miles and over		8.00	70.00
28. Cradle to Grave: ROW Vegetative Debris Work consists of ROW collection, reduction via grinding, DEBRIS MANAGEMENT operations haul-out, and final disposal into a licensed, permitted disposal facility in accordance with local, state, and federal law. All final disposal facilities shall be approved by the City Debris Manager.		No Qty. Estimate	**$ Per Cubic Yard** 14.70	**$ Per Ton** 140.00
29. Cradle to Grave: ROW C&D Debris Work consists of ROW collection, compaction transportation, DEBRIS MANAGEMENT operations (if required), haul-out, (if required), and final disposal into a licensed, permitted disposal facility in accordance with local, state, and federal law. All final disposal facilities shall be approved by the City Debris Manager.		No Qty. Estimate	**$ Per Cubic Yard** 15.00	**$ Per Ton** 150.00

Notes:

1. Line Items No. 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 are based on incoming debris to DMS or final disposal.
2. Line Item No. 12 is based on outgoing debris from DMS.
3. If any line item is left blank or "N/A" is used in place of a price, the Price Proposal may be declared irregular and City of Pearland may reject the proposal.
4. In submitting a proposal, the Proposer acknowledges they have read and agree to the solicitation terms and conditions and their proposal is made in conformance with those terms and conditions.

HOURLY RATE PRICE FORM

Work consists of all labor, equipment, fuel, traffic control and associated costs necessary for the clearing and/or removal of debris and/or silt/mud accumulated or deposited on ROW or Authorized City-owned property. Line items should be priced by the hour, as pricing for equipment shall only be applied when requested by City and while operating.

Line #	Item	$ Per Hour
1	JD 544 Wheel Loader with Debris Grapple or Bucket	100.00
2	JD 644 Wheel Loader with Debris Grapple or Bucket	110.00
3	Extendaboom Forklift with Debris Grapple	65.00
4	Skid Steer, 1,000lb capacity	50.00
5	Skid Steer, 2,000lb capacity	60.00
6	753 Bobcat Skid Steer Loader with Debris Grapple	60.00
7	753 Bobcat Skid Steer Loader with Bucket	50.00
8	753 Bobcat Skid Steer Loader with Street Sweeper	60.00
9	2-2.5CYs Articulated Loader with Bucket	90.00
10	3-4CYs Articulated Loader with Bucket	100.00
11	CAT 730 Articulating End Dump or similar	150.00
12	CAT D3 Dozer	55.00
13	CAT D4 Dozer	60.00
14	CAT D5 Dozer	70.00
15	CAT D6 Dozer	90.00
16	CAT D7 Dozer	100.00
17	CAT D8 Dozer	125.00
18	CAT 125-140 Motor Grader	90.00
19	JD 690 Track Hoe with Debris Grapple	100.00
20	JD 690 Track Hoe with Bucket and Thumb	100.00
21	Rubber Tired Excavator with Debris Grapple	105.00
22	JD 310 Rubber Tired Excavator with Debris Grapple	60.00
23	Hydraulic Excavator, 1.5CYs	75.00
24	Hydraulic Excavator, 2.5CYs	90.00
25	210 Prentice Knuckleboom with Debris Grapple	90.00
26	CAT 623 Self Loader Scraper	150.00
27	Hand Fed Debris Chipper	35.00
28	300-400 HP Grinder	350.00

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT B

Line #	Item	$ Per Hour
29	800-1000 HP Grinder	500.00
30	15-Ton Crane	50.00
31	30-Ton Crane	150.00
32	50-Ton Crane	170.00
33	100-Ton Crane	250.00
34	40'-60' Bucket Truck	90.00
35	60' or Greater Bucket Truck	150.00
36	Street Sweeper	75.00
37	Crash Truck	48.00
38	Fuel/Service Truck	135.00
39	Water Truck 2000 Gallon	60.00
40	Vacuum Truck	110.00
41	Portable Light Plant	14.00
42	Scissor Lift, Telescoping	20.00
43	Lowboy Trailer with Tractor	25.00
44	Flatbed Truck	20.00
45	Pick Up Truck (Unmanned)	14.00
46	Self Loading Truck with Debris Grapple, 25-60CYs	110.00
47	Self Loading Truck with Debris Grapple with Trailer, 65-120CYs	120.00
48	Single Axle Dump Truck 5-12CYs	45.00
49	Tandem Axle Dump Truck 16-20CYs	60.00
50	Tandem Axle Dump Truck 21-30CYs	78.00
51	Tandem Axle Dump Truck 31-50CYs	85.00
52	Tandem Axle Dump Truck 51-80CYs	100.00
53	Tandem Axle Dump Truck / Tractor Trailer Over 80CYs	110.00
54	Power Screen	160.00
55	Stacking Conveyor	35.00
56	Chainsaw	3.00
57	5kW Portable/Mobile Generator	30.00
58	10kW Portable/Mobile Generator	40.00
59	20kW Portable/Mobile Generator	54.00
60	40kW Portable/Mobile Generator	72.00
61	60kW Portable/Mobile Generator	95.00

CITY OF PEARLAND PRICING WORKSHEET - EXHIBIT B

Line #	Item	$ Per Hour
62	80kW Portable/Mobile Generator	1,602.00*
63	100kW Portable/Mobile Generator	1,978.00*
64	120kW Portable/Mobile Generator	2,000.00*
65	150kW Portable/Mobile Generator	2,240.00*
66	175kW Portable/Mobile Generator	2,578.00*
67	200kW Generator	3,000.00*
68	240kW Generator	3,529.00*
69	320kW Generator	3,863.00*
70	500kW Generator	6,117.00*
71	640kW Generator	7,640.00*
72	750kW Generator	9,411.00*
73	1000kW Generator	12,164.00*
74	1500kW Generator	16,000.00*
75	2000kW Generator	19,240.00*
76	2250kW Generator	22,610.00*
77	Pump, 95HP (minimum 25' intake and 200' discharge)	33.00
78	Pump, 200HP (minimum 25' intake and 200' discharge)	54.00
79	Pump, 650HP (minimum 25' intake and 200' discharge)	80.00
80	Temporary Office Trailer	40.00
81	Response Trailer 20'	43.00
82	Response Trailer 36'	50.00
83	Mobile Command Center	50.00
84	Laborer with Hand Tools	26.00
85	Flagger	28.00
86	Skilled Sawman	32.00
87	Climber with Gear	90.00
88	Crew Foreman with Truck and Communications	48.00
89	Operations Manager with Truck and Communications	60.00
90	Superintendent with Truck and Communications	54.00

Notes:

1. To achieve the Overtime Rate, the City shall add a flat rate of $25.00 per hour for each piece of manned equipment.
2. The Overtime Rate shall apply following the 8 consecutive hours of work during a weekday, all day Saturday, Sunday and holidays.

*Line Items 62-76 (Generators) - these items are priced weekly and include unlimited run time.

I. FEE SCHEDULE

a. **Name of Firm**: CrowderGulf, LLC

b. **The following two persons are authorized to sign the proposal and represent the firm, authorized to submit the proposal package and pricing data, and authorized to sign a contract with the City of Pearland, Texas:**

John Ramsay
President & CEO, Company Official
Authorized to contract for CrowderGulf
(251) 402-3677 cell
jramsay@crowdergulf.com

Ashley Ramsay-Naile
Vice President & COO, Company Official
Authorized to contract for CrowderGulf
(646) 872-1548 cell
aramsay@crowdergulf.com

c. **Pricing Worksheets, Exhibits A and B, Attached.**

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-107
DATE SUBMITTED:	June 24 2016	**DEPT. OF ORIGIN:**	Finance
PREPARED BY:	Bob Pearce	**PRESENTOR:**	Bob Pearce
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: Resolution No. R2016-107 - A Resolution of The City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to participate in an interlocal cooperative pricing arrangement with the Houston-Galveston Area Council (HGAC) for the purchase of post-disaster debris monitoring services from TetraTech, Inc., for the period of June 1, 2016 through May 31, 2019.

EXHIBITS: Resolution #R2016-107
Pearland-Tetra Tech Master Services Agreement
H-GAC – Tetra Tech Contract
H-GAC Contract Cost Comparison

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☐ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED:** N/A
AMOUNT AVAILABLE: N/A **PROJECT NO.:**
ACCOUNT NO.: N/A

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

As noted in an associated agenda request of even date hereto, it is necessary for the City to retain the services of a debris management contractor for the collection and disposal of

disaster-related debris after an emergency event. In conjunction with that agreement, it is also necessary for the City to have a separate contractor to monitor and certify all collection and disposal activities of the debris removal contractor, and to submit all necessary documentation per Federal Emergency Management Agency (FEMA) requirements.

SCOPE OF CONTRACT

Provision of debris monitoring services as needed for post-disaster recovery for the City of Pearland.

BID AND AWARD

In June, 2013, Council approved the use of a Houston-Galveston Area Council (H-GAC) contract for the debris monitoring services described above with Science Applications International Corporation (SAIC), with an expiration date of May 31, 2016. During the term of said agreement, SAIC became Tetra Tech, Inc.

H-GAC completed an RFP process this spring for disaster recovery services, and awarded contracts accordingly on May 17, 2016 (with contract documents not available for City review until May 31), precluding City staff's ability to bring this recommendation to Council prior to the expiration of the existing agreement. Tetra Tech has again received an award for debris monitoring, with the resulting contract in effect through May 31, 2019. The contracted services hourly price list attached reflects very little change in pricing from the prior contract, with most position pricing unchanged, but some positions at a slightly lower/higher rate (a cost comparison of the current and prior contracts is attached for review). Given that the prior contract pricing dates back to 2013, the nominal current change reflects a high degree of price stability and cost-competitiveness. Tetra Tech is well represented in our market, with a field office in Houston and current monitoring contracts with Fort Bend, Galveston and Montgomery Counties, and cities of Bellaire, Galveston, Humble, League City, and Pasadena, among others. The H-GAC cooperative contract meets all competitive bidding requirements of Texas Local Government Code, Chapter 252, and the City is eligible to participate by virtue of the standing inter-local agreement between the two entities.

It is recommended by Emergency Management and Purchasing staff that Tetra Tech, Inc. be awarded the City's debris monitoring services, pursuant to the contracted terms and conditions of the H-GAC cooperative purchasing program.

SCHEDULE

Contract documentation will be executed by appropriate City personnel upon award, and forwarded to Tetra Tech, Inc. for counter-signature and acceptance. Upon execution, the award will be in place for as-needed debris monitoring services through May 31, 2019.

POLICY/GOAL CONSIDERATION

This purchase is contemplated and recommended pursuant to the City's Safe Community objective for its residents.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

Should the City not require these services during the contract period, there is no cost. It is anticipated that any expenditures borne by the City for any services under this contract would be eligible for FEMA reimbursement.

RECOMMENDED ACTION

City Council approval of a resolution awarding a bid for the purchase of post-disaster debris monitoring services to Tetra Tech, Inc., at the rates reflected in the highlighted “Current Contract Hourly Rate” column of the attached H-GAC Contract Cost Comparison for the period of June 1, 2016 through May 31, 2019.

RESOLUTION NO. R2016-107

A Resolution of The City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to participate in an interlocal cooperative pricing arrangement with the Houston-Galveston Area Council (HGAC) for the purchase of post-disaster debris monitoring services from TetraTech, Inc., for the period of June 1, 2016 through May 31, 2019.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That contract pricing has been obtained through interlocal cooperative partner HGAC for the purchase of post-disaster debris monitoring services.

Section 2. That the City Manager or his designee is hereby authorized to participate in an interlocal cooperative pricing arrangement with the Houston-Galveston Area Council (HGAC) for the purchase of post-disaster debris monitoring services from TetraTech, Inc.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

COOPERATIVE PURCHASING
MASTER SERVICES AGREEMENT
PROFESSIONAL CONSULTING SERVICES

THIS AGREEMENT is made this the **1st day of June, 2016**, by and between the **CITY OF PEARLAND, TEXAS**, located at 3519 Liberty Drive, Pearland, Texas 77581 (hereinafter referred to as ("CLIENT") and **TETRA TECH, INC.** (hereinafter referred to as ("CONTRACTOR"), located at 2301 Lucien Way, Suite 120, Maitland, FL 32751.

WHEREAS, the Houston-Galveston Area Council (HGAC) is a "Government-to-Government" procurement service for States, State Agencies, Local Governments Districts, Authorities, and qualifying Not-for-Profit Corporations.

WHEREAS, Contractor acting as an independent Contractor, is a Contractor with extensive experience in providing emergency management planning, disaster management and recovery services.

WHEREAS, HGAC has awarded Contractor a contract to provide professional all hazards preparedness, planning, consulting & recovery services in accordance with the HGAC Invitation to Bid No. HP07-16 dated February 12, 2016. The services include, but are not limited to, Security, Disaster Preparedness and Emergency Response & Recovery Services.

WHEREAS, Client has reviewed the Invitation to Bid No. HP07-16 issued by HGAC, the responsive proposal of Contractor, and is satisfied that Contractor was selected by HGAC.

WHEREAS, Client wishes to enter into an exclusive contractual agreement with Contractor to provide professional all hazards preparedness, planning, consulting & recovery service in accordance with the HGAC Invitation to Bid No. HP07-16.

NOW, THEREFORE in consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

1. **Scope of Services**: Contractor and Client agree Contractor will perform services associated with disaster preparedness and emergency response & recovery services as described in Exhibit A, attached hereto. Task Orders shall be issued for specific deliverables under this Agreement. Such deliverables to be provided by Contractor will be determined by Client and specified in writing on each Task Order prior to commencing work.

2. **Term**: The term of this Agreement shall begin on the date written above through May 31, 2019 with automatic annual renewals, unless either party elects to withdraw.

3. **Independent Contractor**: Contractor is an independent contractor and is not an employee of Client. Services performed by Contractor under this Agreement are solely for the benefit of the Client. Nothing contained in this Agreement creates any duties on the part of Contractor toward any person not a party to this Agreement.

4. **Standard of Care**: Contractor will perform services under this Agreement with the degree of skill and diligence normally practiced by professional engineers or Contractors performing the same or similar services. No other warranty or guarantee, expressed or implied, is made with respect to the services furnished under this Agreement and all implied warranties are disclaimed.

5. **Changes/Amendments**: This Agreement and its exhibits constitute the entire agreement

between the Parties and together with its exhibits supersede any prior written or oral agreements. This Agreement may not be amended, modified or changed except by written amendment executed by both Parties. The estimate of the level of effort, schedule and payment required to complete the Scope of Services, as Contractor understands it, is reflected herein. Services not expressly set forth in this Agreement or its exhibits are excluded. Contractor shall promptly notify Client if changes to the Scope of Services affect the schedule, level of effort or payment to Contractor and the schedule and payment shall be equitably adjusted.

6. **Uncontrollable Forces**: Neither the Client nor Contractor shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to Uncontrollable Forces, the effect of which, by the exercise of reasonable diligence, the non-performing party could not avoid. The term "Uncontrollable Forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the reasonable control of the nonperforming party. It includes, but is not limited to fire, flood, earthquakes, explosion, strike, transportation, or equipment delays, act of war, Act of God, lightning, epidemic, war, riot, civil disturbance, sabotage, acts of terrorism and governmental actions outside the control of the Client. The schedule or payment under the Agreement shall be equitably adjusted, if necessary, to compensate Contractor for any additional costs due to the delay.

   Neither party shall, however, be excused from performance if nonperformance is due to forces which are foreseeable, preventable, removable, or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, prevented, removed or remedied with reasonable dispatch. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement.

7. **Fee for Services**: The fee for the services under this Agreement will be based on either a fixed fee basis or the actual hours of services furnished multiplied by Contractor's Billing Rates as set forth in Exhibit B, plus all reasonable expenses directly related to the services furnished under this Agreement.

8. **Compensation**: Contractor shall bear the costs of performing all services under this Agreement, as directed by the Client, plus applicable permit and license fees and all maintenance costs required to maintain its vehicles and other equipment in a condition and manner adequate to accomplish and perform all services under this Agreement.

   Client shall pay Contractor in accordance with paragraph 7 above, “Fee for Services” (Exhibit B) which is attached and incorporated herein by reference as part of this Agreement.

   Contractor shall submit monthly invoice for services rendered.

   Client shall pay Contractor in U.S. dollars within thirty (30) days of receipt of invoices less any disputed amounts. If Client disputes any portion of the invoice, the undisputed portion will be paid and Contractor will be notified in writing, within ten (10) days of receipt of the invoice of the exceptions taken. Contractor and Client will attempt to resolve the payment dispute within

sixty (60) days or the matter may be submitted to arbitration as provided below. Additional charges for interest shall become due and payable at a rate of one and one-half percent (1-1/2%) per month (or the maximum percentage allowed by law, whichever is lower) on the unpaid, undisputed invoiced amounts. Any interest charges due from Client on past due invoices are outside any amounts otherwise due under this Agreement. If Client fails to pay undisputed invoiced amounts within sixty (60) days after delivery of invoice, Contractor, at its sole discretion, may suspend services hereunder or may initiate collections proceedings, including mandatory binding arbitration, without incurring any liability or waiving any right established hereunder or by law.

All invoices shall be delivered to:

City of Pearland, Texas
Attn: Accounts Payable
3519 Liberty Drive
Pearland, Texas 77581

In order for both parties herein to close their books and records, the Contractor will clearly state "Final Invoice" on the Contractor's final/last billing to the Client. Such statement shall serve as certification that all services have been properly performed and all charges and costs have been invoiced to the Client. Upon submission of the Final Invoice, Client's account with Contractor will be closed and any and other further charges if not properly included on the Final Invoice shall be considered waived by the Contractor.

9. **Indemnity**: Contractor shall save harmless the Client from all claims and liability due to activities of himself, his agents, or employees, performed under this contract and which to the extent result from an negligent act, error or omission of the Contractor or of any person employed by the Contractor. Contractor shall also save harmless the Client from all expenses, including attorney fees which might be incurred by the Client in litigation or otherwise resisting said claims or liabilities which might be imposed on the Client as result of such activities by the Contractor, his agents, or employees.

10. **Insurance**: During the performance of the Services under this Agreement, Contractor shall maintain the following insurance policies:

Worker's Compensation	Statutory
Employer's Liability	U.S. $1,000,000
Commercial General Liability	U.S. $1,000,000 per occurrence
	U.S. $1,000,000 aggregate
Comprehensive General Automobile	U.S. $1,000,000 combined single limit
Professional Liability	U.S. $1,000,000 per claim and in the aggregate

11. **Work Product**: Client shall have the unrestricted right to use the documents, analyses and other data prepared by Contractor under this Agreement ('Work Products'); provided, however Client shall not rely on or use the Work Products for any purpose other than the purposes under this Agreement and the Work Products shall not be changed without the prior written approval of Contractor. If Client releases the Work Products to a third party without Contractor's prior written consent, or changes or uses the Work Products other than as intended hereunder, (a)

Client does so at its sole risk and discretion, and (b) Contractor shall not be liable for any claims or damages resulting from the change or use or connected with the release or any third party's use of the Work Products.

12. **Limitation of Liability**: No employee of Contractor shall have individual liability to Client. To the extent permitted by law, the total liability of Contractor, its officers, directors, shareholders, employees and Subcontractors for any and all claims arising out of this Agreement, including attorneys' fees, and whether caused by negligence, errors, omissions, strict liability, breach of contract or contribution, or indemnity claims based on third party claims, shall not exceed one million dollars (U.S. $1,000,000).

13. **No Consequential Damages**: In no event and under no circumstances shall Contractor be liable to Client for any principal, interest, loss of anticipated revenues, earnings, profits, increased expense of operation or construction, loss by reason of shutdown or non-operation due to late completion or otherwise or for any other economic, consequential, indirect or special damages.

14. **Information Provided by Others**: Client shall provide to Contractor in a timely manner any information Contractor indicates is needed to perform the services hereunder. Contractor may reasonably rely on the accuracy of information provided by Client and its representatives.

15. **Safety and Security**: Contractor has established and maintains programs and procedures for the safety of its employees. Unless specially included as a service to be provided under this Agreement, Contractor specially disclaims any authority or responsibility for job site safety and safety of persons other than Contractor's or Subcontractor's employees.

16. **Termination**: Either party may terminate this Agreement upon thirty (30) days prior written notice to the other party. Client shall pay Contractor for all services rendered to the date of termination plus reasonable expenses for winding down the services. If either party defaults in its obligations hereunder, the non-defaulting party, after giving seven (7) days written notice of its intention to terminate or suspend performance under this Agreement, may, if cure of the default is not commenced and diligently continued, terminate this Agreement or suspend performance under this Agreement.

17. **Dispute Resolution**: Contractor and Client shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner and agree that if resolution cannot be made to attempt to mediate the conflict by a professional mediator (except for payment disputes which may be submitted directly to arbitration). If mediation does not settle any dispute or action which arises under this Agreement or which relates in any way to this Agreement or the subject matter of this Agreement within ninety (90) days after either requests mediation, the dispute or conflict shall be subject to arbitration in English under the rules governing commercial arbitration as promulgated by the American Arbitration Association and arbitrability shall be subject to the Federal Arbitration Act.

18. **Successors and Assigns**: This Agreement is binding upon and will inure to the benefit of Client and Contractor and their respective successors and assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party.

19. **Notices**: Any notice required or permitted by this Agreement to be given shall be deemed to have been duly given if in writing and delivered personally or five (5) days after mailing by first-class, registered, or certified mail, return receipt requested, postage prepaid and addressed as follows:

    Client:
    Bob Pearce, Purchasing Officer
    City of Pearland, Texas
    3519 Liberty Drive
    Pearland, TX 77581
    281.652.1668
    bpearce@pearlandtx.gov

    Contractor:
    Betty Kamara, Contracts Administrator
    Tetra Tech, Inc.
    2301 Lucien Way, Suite 120
    Maitland, FL 32751
    407.803.2551
    betty.kamara@tetratech.com

20. **Severability:** The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void. The parties further agree to reform the Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent the entire Agreement from being void should a provision which is of the essence of the Agreement be determined to be void.

21. **Governing Law and Venue:** This Agreement shall be governed by and interpreted according to the laws of the State of Texas. The venue for any and all legal action necessary to enforce the Agreement shall be Brazoria County.

22. **Access and Audits**: Contractor shall maintain adequate financial and program records to justify all charges, expenses, and costs incurred in estimating and performing the work under this Agreement for at least three (3) years following final payment to the Client as Federal Emergency Management Agency sub-grantee as required by FEMA's 322 Public Assistance Guide, page 114 and 95.25.9 and 44 CFR §13.36 Procurement, Disaster Assistance Policy 9525.9, Section 324 Management Costs and Direct Administrative Costs, as amended, or any similar regulation, policy, or document adopted by FEMA subsequent to the execution of this Agreement. The Client shall have access to all records, documents and information collected and/or maintained by others in the course of the administration of the Agreement. This information shall be made accessible at the Contractor's place of business to the Client, including the Comptroller's Office and/or its designees, for purposes of inspection,

reproduction, and audit without restriction.

23. **Compliance with Laws**: In performance of the Services, Contractor will comply with applicable regulatory requirements including federal, state, special district, and local laws, rules, regulations, orders, codes, criteria and standards, and shall obtain all permits and licenses necessary to perform the Services under this Agreement at Contractor's own expense.

24. **Non-Discrimination:** The Contractor warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, gender, age or national origin.

25. **Waiver:** A waiver by either the Client or Contractor of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach. The making or acceptance of a payment by either party with knowledge of the existence of a default or breach shall not operate or be construed to operate as a waiver of any subsequent default or breach.

26. **Entirety of Agreement:** The Client and the Contractor agree that this Agreement sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters or other communications between the Client and Contractor pertaining to the Services, whether written or oral. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered except by written instrument executed by the parties hereto.

27. **Modification:** The Agreement may not be modified unless such modifications are evidenced in writing and signed by both the Client and Contractor. Such modifications shall be in the form of a written Amendment executed by both parties.

28. **Contingent Fees:** The Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Contractor to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for the Contractor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this Agreement.

29. **Truth-in-Negotiation Certificate:** Execution of this Agreement by the Contractor shall act as the execution of a truth-in-negotiation certificate certifying that the wage rates and costs used to determine the compensation provided for in this Agreement are accurate, complete, and current as of the date of the Agreement.

30. **Confidentiality:** No reports, information, computer programs, documentation, and/or data given to, or prepared or assembled by the Contractor under this Agreement shall be made available to any individual or organization by the Contractor without prior written approval of the Client.

31. **Miscellaneous:** Client expressly agrees that all provisions of the Agreement, including the clause limiting the liability of Contractor, were mutually negotiated and that but for the inclusion of the limitation of liability clause in the Agreement, Contractor's compensation for services would otherwise be greater and/or Contractor would not have entered into the Agreement.

    In any action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover, as part of its judgment, reasonable attorneys' fees and costs from the other party.

32. **Counterparts**: This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original instrument, but all of which taken together shall constitute one instrument.

IN WITNESS WHEREOF, the Contractor has caused this Agreement to be signed in its corporate name by its authorized representative, and the Client has caused this Agreement to be signed in its legal corporate name by persons authorized to execute this Agreement as of the day and year first written above.

CONTRACTOR:	**CLIENT:**
TETRA TECH, INC.	**CITY OF PEARLAND, TEXAS**
_____	_____
By: Jonathan Burgiel	By:
Title: Vice President/Operations Manager	Title:
ATTEST:	ATTEST:
_____	_____
Betty Kamara, Contracts Administrator	

A CONTRACT BETWEEN
HOUSTON-GALVESTON AREA COUNCIL
Houston, Texas
AND
TETRA TECH, INC.
Maitlant, Florida

This Contract is made and entered into by the **Houston-Galveston Area Council of Governments,** hereinafter referred to as **H-GAC,** having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, AND**, Tetra Tech, Inc.,** hereinafter referred to as the **CONTRACTOR,** having its principal place of business at 2301 Lucien Way, Suite 120, Maitlant, Florida 32751.

ARTICLE 1: SCOPE OF SERVICES

The parties have entered into a **All Hazards Preparedness, Planning, Consulting & Recovery Services** Contract to become effective as of June 1, 2016, and to continue through May 31, 2019 (the "**Contract**"), subject to extension upon mutual agreement of the **CONTRACTOR** and **H-GAC. H-GAC** enters into the Contract as Agent for participating governmental agencies, each hereinafter referred to as **END USER,** for the purchase of **All Hazards Preparedness, Planning, Consulting & Recovery Services** offered by the **CONTRACTOR.** The **CONTRACTOR** agrees to sell **All Hazards Preparedness, Planning, Consulting & Recovery Services** through the **H-GAC** Contract to **END USERS**.

ARTICLE 2: THE COMPLETE AGREEMENT

The Contract shall consist of the documents identified below in order of precedence:

1. The text of this Contract form, including but not limited to, Attachment A
2. General Terms and Conditions
3. Proposal Specifications No: **HP07-16**, including any relevant suffixes
4. **CONTRACTOR's** Response to Proposal No: **HP07-16**, including but not limited to, prices and options offered

All of which are either attached hereto or incorporated by reference and hereby made a part of this Contract, and shall constitute the complete agreement between the parties hereto. This Contract supersedes any and all oral or written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Contract cannot be modified without the written consent of both parties.

ARTICLE 3: LEGAL AUTHORITY

CONTRACTOR and **H-GAC** warrant and represent to each other that they have adequate legal counsel and authority to enter into this Contract. The governing bodies, where applicable, have authorized the signatory officials to enter into this Contract and bind the parties to the terms of this Contract and any subsequent amendments thereto.

ARTICLE 4: APPLICABLE LAWS

The parties agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, directives, issuances, ordinances, and laws in effect or promulgated during the term of this Contract.

ARTICLE 5: INDEPENDENT CONTRACTOR

The execution of this Contract and the rendering of services prescribed by this Contract do not change the independent status of **H-GAC** or **CONTRACTOR**. No provision of this Contract or act of **H-GAC** in performance of this Contract shall be construed as making **CONTRACTOR** the agent, servant or employee of **H-GAC**, the State of Texas or the United States Government. Employees of **CONTRACTOR** are subject to the exclusive control and supervision of **CONTRACTOR**. **CONTRACTOR** is solely responsible for employee payrolls and claims arising therefrom.

ARTICLE 6: END USER AGREEMENTS

H-GAC acknowledges that the **END USER** may choose to enter into an End User Agreement with the **CONTRACTOR** through this Contract and that the term of said Agreement may exceed the term of the **H-GAC** Contract. However this acknowledgement is not to be construed as **H-GAC's** endorsement or approval of the End User Agreement terms and conditions. **CONTRACTOR** agrees not to offer, agree to or accept from **END USER** any terms or conditions that conflict with or contravene those in **CONTRACTOR's H-GAC** contract. Further, termination of this Contract for any reason shall not result in the termination of the underlying End User Agreements entered into between **CONTRACTOR** and any **END USER** which shall, in each instance, continue pursuant to their stated terms and duration. The only effect of termination of this Contract is that **CONTRACTOR** will no longer be able to enter into any new End User Agreements with **END USERS** pursuant to this Contract. Applicable **H-GAC** order processing charges will be due and payable to **H-GAC** on any End User Agreements surviving termination of this Contract between **H-GAC** and **CONTRACTOR .**

ARTICLE 7: SUBCONTRACTS & ASSIGNMENTS

CONTRACTOR agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Contract or any right, title, obligation or interest it may have therein to any third party without prior written notice to **H-GAC. H-GAC** reserves the right to accept or reject any such change. **CONTRACTOR** shall continue to remain responsible for all performance under this Contract regardless of any subcontract or assignment. **H-GAC** shall be liable solely to **CONTRACTOR** and not to any of its Subcontractors or Assignees.

ARTICLE 8: EXAMINATION AND RETENTION OF CONTRACTOR'S RECORDS

CONTRACTOR shall maintain during the course of its work, complete and accurate records of items that are chargeable to **END USER** under this Contract. **H-GAC**, through its staff or its designated public accounting firm, the State of Texas, or the United States Government shall have the right at any reasonable time to inspect copy and audit those records on or off the premises of **CONTRACTOR**. Failure to provide access to records may be cause for termination of this Contract. **CONTRACTOR** shall maintain all records pertinent to this Contract for a period of not less than five (5) calendar years from the date of acceptance of the final contract closeout and until any outstanding litigation, audit or claim has been resolved. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. **CONTRACTOR** further agrees to include in all subcontracts under this Contract, a provision to the effect that the subcontractor agrees that **H-GAC'S** duly authorized representatives, shall, until the expiration of five (5) calendar years after final payment under the subcontract or until all audit findings have been resolved, have access to, and the right to examine and copy any directly pertinent books, documents, papers, invoices and records of such subcontractor involving any transaction relating to the subcontract.

ARTICLE 9: REPORTING REQUIREMENTS

CONTRACTOR agrees to submit reports or other documentation in accordance with the General Terms and Conditions of the Proposal Specifications. If **CONTRACTOR** fails to submit to **H-GAC** in a timely and satisfactory manner any such report or documentation, or otherwise fails to satisfactorily render performance hereunder, such failure may be considered cause for termination of this Contract.

ARTICLE 10: MOST FAVORED CUSTOMER CLAUSE

If **CONTRACTOR**, at any time during this Contract, routinely enters into agreements with other governmental customers within the State of Texas, and offers the same or substantially the same products/services offered to **H-GAC** on a basis that provides prices, warranties, benefits, and or terms more favorable than those provided to **H-GAC**, **CONTRACTOR** shall notify **H-GAC** within ten (10) business days thereafter of that offering and this Contract shall be deemed to be automatically amended effective retroactively to the effective date of the most favorable contract, wherein **CONTRACTOR** shall provide the same prices, warranties, benefits, or terms to **H-GAC** and its **END USER**. **H-GAC** shall have the right and option at any time to decline to accept any such change, in which case the amendment shall be deemed null and void. If **CONTRACTOR** is of the opinion that any apparently more favorable price, warranty, benefit, or term charged and/or offered a customer during the term of this Contract is not in fact most favored treatment, **CONTRACTOR** shall within ten (10) business days notify **H-GAC** in writing, setting forth the detailed reasons **CONTRACTOR** believes aforesaid offer which has been deemed to be a most favored treatment, is not in fact most favored treatment. **H-GAC**, after due consideration of such written explanation, may decline to accept such explanation and thereupon this Contract between **H-GAC** and **CONTRACTOR** shall be automatically amended, effective retroactively, to the effective date of the most favored agreement, to provide the same prices, warranties, benefits, or terms to **H-GAC**.

The Parties accept the following definition of routine: A prescribed, detailed course of action to be followed regularly; a standard procedure. ***EXCEPTION: This clause shall not be applicable to prices and price adjustments offered by a bidder, proposer or contractor, which are not within bidder's/ proposer's control [example; a manufacturer's bid concession], or to any prices offered to the Federal Government and its agencies.***

ARTICLE 11: SEVERABILITY

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 12: DISPUTES

Any and all disputes concerning questions of fact or of law arising under this Contract, which are not disposed of by agreement, shall be decided by the Executive Director of **H-GAC** or his designee, who shall reduce his decision to writing and provide notice thereof to **CONTRACTOR**. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such notice, **CONTRACTOR** requests a rehearing from the Executive Director of **H-GAC**. In connection with any rehearing under this Article, **CONTRACTOR** shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. **CONTRACTOR** may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, **CONTRACTOR** shall proceed diligently with the performance of this Contract and in accordance with **H-GAC'S** final decision.

ARTICLE 13: LIMITATION OF CONTRACTOR'S LIABILITY

Except as specified in any separate writing between the **CONTRACTOR** and an **END USER, CONTRACTOR's** total liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, but excluding its obligation to indemnify **H-GAC** described in Article 14, is limited to the price of the particular products/services sold hereunder, and **CONTRACTOR** agrees either to refund the purchase price or to repair or replace product(s) that are not as warranted. In no event will **CONTRACTOR** be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. **CONTRACTOR** understands and agrees that it shall be liable to repay and shall repay upon demand to **END USER** any amounts determined by **H-GAC** , its independent auditors, or any agency of State or Federal government to have been paid in violation of the terms of this Contract.

ARTICLE 14: LIMIT OF H-GAC'S LIABILITY AND INDEMNIFICATION OF H-GAC

H-GAC's liability under this Contract, whether for breach of contract, warranty, negligence, strict liability, in tort or otherwise, is limited to its order processing charge. In no event will **H-GAC** be liable for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special or consequential damages to the full extent such use may be disclaimed by law. Contractor agrees, to the extent permitted by law, to defend and hold harmless **H-GAC**, its board members, officers, agents, officials, employees, and indemnities from any and all claims, costs, expenses (including reasonable attorney fees), actions, causes of action, judgments, and liens arising as a result of **CONTRACTOR's** negligent act or omission under this Contract. **CONTRACTOR** shall notify **H-GAC** of the threat of lawsuit or of any actual suit filed against **CONTRACTOR** relating to this Contract.

ARTICLE 15: TERMINATION FOR CAUSE

H-GAC may terminate this Contract for cause based upon the failure of **CONTRACTOR** to comply with the terms and/or conditions of the Contract; provided that **H-GAC** shall give **CONTRACTOR** written notice specifying **CONTRACTOR'S** failure. If within thirty (30) days after receipt of such notice, **CONTRACTOR** shall not have either corrected such failure, or thereafter proceeded diligently to complete such correction, then **H-GAC** may, at its option, place **CONTRACTOR** in default and the Contract shall terminate on the date specified in such notice. **CONTRACTOR** shall pay to **H-GAC** any order processing charges due from **CONTRACTOR** on that portion of the Contract actually performed by **CONTRACTOR** and for which compensation was received by **CONTRACTOR.**

ARTICLE 16: TERMINATION FOR CONVENIENCE

Either **H-GAC** or **CONTRACTOR** may cancel or terminate this Contract at any time by giving thirty (30) days written notice to the other. **CONTRACTOR** may be entitled to payment from **END USER** for services actually performed; to the extent said services are satisfactory to **END USER. CONTRACTOR** shall pay to **H-GAC** any order processing charges due from **CONTRACTOR** on that portion of the Contract actually performed by **CONTRACTOR** and for which compensation is received by **CONTRACTOR.**

ARTICLE 17: CIVIL AND CRIMINAL PROVISIONS AND SANCTIONS

CONTRACTOR agrees that it will perform under this Contract in conformance with safeguards against fraud and abuse as set forth by **H-GAC**, the State of Texas and the acts and regulations of any funding entity. **CONTRACTOR** agrees to notify **H-GAC** of **any** suspected fraud, abuse or other criminal activity related to this Contract through filing of a written report promptly after it becomes aware of such activity.

ARTICLE 18: GOVERNING LAW & VENUE

This Contract shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with this Contract shall lie exclusively in Harris County, Texas. Disputes between **END USER** and **CONTRACTOR** are to be resolved in accord with the law and venue rules of the state of purchase. **CONTRACTOR** shall immediately notify **H-GAC** of such disputes.

ARTICLE 19: PAYMENT OF H-GAC ORDER PROCESSING CHARGE

CONTRACTOR agrees to sell its products to **END USERS** based on the pricing and other terms of this Contract, including, but not limited to, the payment of the applicable **H-GAC** order processing charge. On notification from an **END USER** that an order has been placed with **CONTRACTOR, H-GAC** will invoice **CONTRACTOR** for the applicable order processing charge. Upon delivery of any product/service by **CONTRACTOR** and acceptance by **END USER, CONTRACTOR** shall, within thirty (30) calendar days or ten (10) business days after receipt of payment, whichever is less, pay **H-GAC** the full amount of the applicable order processing charge, whether or not **CONTRACTOR** has received an invoice from **H-GAC**. For sales made by **CONTRACTOR** based on this contract, including sales to entities without Interlocal Contracts, **CONTRACTOR** shall pay the applicable order processing charges to **H-GAC.** Further, **CONTRACTOR** agrees to encourage entities who are not members of **H-GAC's** Cooperative Purchasing Program to execute an **H-GAC** Interlocal Contract. **H-GAC** reserves the right to take appropriate actions including, but not limited to, contract termination if **CONTRACTOR** fails to promptly remit **H-GAC's** order processing charge. In no event shall **H-GAC** have any liability to **CONTRACTOR** for any goods or services an **END USER** procures from **CONTRACTOR**.

ARTICLE 20: LIQUIDATED DAMAGES

Any liquidated damages terms will be determined between **CONTRACTOR** and **END USER** at the time **END USER's** purchase order is placed.

ARTICLE 21: PERFORMANCE AND PAYMENT BOND FOR INDIVIDUAL ORDERS

H-GAC's contractual requirements DO NOT include a Performance & Payment Bond (PPB), and offered pricing should reflect this cost saving. However, **CONTRACTOR** must be prepared to offer a PPB to cover any specific order if so requested by **END USER**. **CONTRACTOR** shall quote a price to **END USER** for provision of any requested PPB, and agrees to furnish the PPB within ten business (10) days of receipt of **END USER's** purchase order.

ARTICLE 22: CHANGE OF CONTRACTOR STATUS

CONTRACTOR shall immediately notify **H-GAC,** in writing, of **ANY** change in ownership, control, dealership/franchisee status, Motor Vehicle license status, or name, and shall also advise whether or not this Contract shall be affected in any way by such change. **H-GAC** shall have the right to determine whether or not such change is acceptable, and to determine what action shall be warranted, up to and including cancellation of Contract.

ARTICLE 23: LICENSING REQUIRED BY TEXAS MOTOR VEHICLE BOARD *[IF APPLICABLE]*

CONTRACTOR will, for the duration of this Contract, maintain current licenses that are required by the Texas Motor Vehicle Commission Code. If at any time during this Contract period, any **CONTRACTOR'S** license is not renewed, or is denied or revoked, **CONTRACTOR shall** be deemed to be in default of this Contract unless the Motor Vehicle Board issues a stay or waiver. Contractor shall promptly provide copies of all current applicable Texas Motor Vehicle Board documentation to **H-GAC** upon request.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their duly authorized representatives.

Signed for **Houston-Galveston Area Council,** Houston, Texas: _____

Jack Steele, Executive Director

Attest for **Houston-Galveston Area Council,** Houston, Texas: _____

Deidre Vick, Director of Public Services

Date:_____, 20___

Signed for **Tetra Tech, Inc.** Maitlant, Florida: _____

Printed Name & Title: Jonathan Burgiel, Vice President/Operations Manager

Date: May 19 20 16

Attest for **Tetra Tech, Inc.** Maitlant, Florida: _____

Printed Name & Title: Betty Kamara, Contracts Administrator

Date: May 19, 20 16

Attachment A
Tetra Tech, Inc.
Contract No.: HP07-16

The All Hazards Preparedness, Planning Consulting and Recovery Services (for security, disaster preparedness, and emergency response and recovery) provided under this contract, and the allowable charges for those services, shall be per contractor's proposal submitted March 10, 2016, in response to H-GAC Request For Proposals HP07-16.

Services Included:

Emergency Management Consulting	Hazard mitigation planning; emergency operations planning; continuity of operations (COOP) planning; continuity of government (COG) planning; emergency support function (ESF) planning; departmental emergency response planning; evacuation planning; regional catastrophic planning; mass care/surge capacity planning; MMRS planning; volunteer management planning; family assistance center and reunification planning; EMAP accreditation support; strategic planning; disaster debris management planning; information technology disaster recovery planning; crisis communication/public information planning; HAZMAT commodity flow studies and local emergency planning committee; crisis planning for higher education; training, testing and exercises; integrated planning and management system; internet/computer-based training; asset management; operations center services; shared/integrated digital environmental; Occupational Health and Safety Planning; Ebola and other special emerging pathogens planning; mass fatality planning; responder and disaster worker health and safety; community rating system (CRS) assessment; CRS application; repetitive loss area analysis
Debris Program Management Consulting Services	Comprehensive program management; disaster debris removal procurement and negotiations; collection monitoring; disposal monitoring; hazardous waste collection, disposal and monitoring; leaner/hanger/stump removal monitoring; debris management site (DMS) environmental support; beach remediation/restoration; private property debris removal (PPDR) program administration; waterway debris removal monitoring; field data collection/ management/billing/invoicing; data management; customer information/citizen hotline/community relations; emergency responder website services; data collection

Grant Administration and Disaster Recovery Management Services	FEMA reimbursement technical assistance consulting; FEMA compliance monitoring and audit oversight; IA services; PA services, grant application development and administration; HUD CDBG-DR services; Unmet needs assessment; policies and procedures manual development; damage assessment; eligibility consultation; project ranking; financial advisory; cash flow management; procurement assistance; benefit cost analysis; feasibility and effectiveness studies; floodplain feasibility modeling; advanced feasibility modeling; site survey and legal description review; owners representative services; appraisal and valuation services; title due diligence; public outreach program; public meeting facilitation; homeowner consultation; relocation assistance; property management; negotiations; closing; data and documentation management; hazard mitigation proposals; contractor invoice reconciliation; regulatory compliance monitoring; project scoping; insurance adjusting/subrogation; eligibility appeals; grant closeout; HUD action plan development; unmet needs analysis; emergency operations center staff augmentation
Long-Term Recovery Planning and Economic Development	Long-term recovery planning; economic development; land use planning
Emergency Network and Response Services	Emergency response and support; planning, engineering, and management services; audits, inspections; and maintenance services; microwave services; tower erection and modifications; civil construction services; building upgrades; electrical systems, including AC/DC power and battery backup; generator systems; troubleshooting; site development and real estate services; software application development
Vulnerability/Hazard Identification/ Risk Assessment Services	Hazardous identification and incident response; ecological risk assessments; CERCLA and RCRA Evaluation; vulnerability assessments
Environmental Services	HUD/FEMA environmental reviews, decontamination; climate change adaptation; restoration and remediation

EXHIBIT B: FEE FOR SERVICES

To the extent that H-GAC or any of its end users request Tetra Tech's assistance, the following positions and hourly rates shall apply. The fees for these services can be provided on a fixed fee or time and materials basis plus reasonable non-labor expenses. Such non-labor expenses shall be invoiced as follows: (1) travel expenses including airfare and car rental shall be invoiced at cost without mark-up; (2) lodging shall be invoiced up to the per diem rate according to the General Services Administration (GSA) rates established at www.gsa.gov (3) meals and incidentals shall be invoiced at the GSA per diem rate (no receipts are required); (4) mileage shall be invoiced at the federally published rate; (5) field documents and other equipment/supplies shall be invoiced at cost without mark-up; and (6) other required non-labor expenses as may be applicable to the project and pre-approved by Tetra Tech and the Client shall be invoiced at cost without mark-up.

Table C-1: Debris Program Management Hourly Rates

Category	Hourly Rate
Field Project Manager	$75.00
Operations Manager	$60.00
Health and Safety Officer	$59.00
Data Manager	$55.00
GIS Analyst	$49.00
Field Supervisor	$45.00
Billing/Invoice Analyst	$39.00
Disposal Site Monitor	$35.00
Collection Monitor	$35.00
Project Coordinator	$34.00
Load Ticket Data Entry Clerk	$32.00
Call Center Staff	$32.00

Electronic Ticketing Device: As an optional service, Tetra Tech can provide electronic ticketing devices for an additional $3.00 per hour to specific labor categories to cover the costs associated with using Tetra Tech's ADMS. The specific labor categories include operations manager, data manager, field supervisor, disposal site monitor, and collection monitor. The use of Tetra Tech's ADMS is at the discretion of the client. Special costs such as boat rental and marine expenses shall be billed at cost without mark-up.

Table C-2: Homeland Security and Emergency Management Consulting/Planning Hourly Rates

Category	Hourly Rates
Administrative Specialist I	$40.00
Administrative Specialist II	$48.00
Research Assistant	$51.00
Proposal Coordinator	$53.00
Comm. Technician	$57.00
Help Desk Operator	$62.00
Administrative Specialist III	$64.00
Research Assistant II	$66.00
Service Center/Logistics Specialist	$68.00
Analytical Aide	$75.00
Planning Aide	$80.00
Project Control Specialist	$83.00
Oracle Database Administrator	$85.00
Consulting Aide	$85.00
Assistant Planner/ Scientist/Assessor/Analyst/ Environmental Specialist	$95.00
Program Planner/ Scientist/Assessor/Analyst/ Environmental	$100.00

Specialist	
System Administrator	$105.00
Law Enforcement Subject Matter Expert/Trainer	$110.00
Consultant/Planner/ Scientist/Assessor/Analyst/Environmental Specialist I	$110.00
Public Assistance/Grant Management Consultant	$115.00
Fire/HAZMAT Subject Matter Expert/Trainer	$122.00
Project Manager/Consultant/Planner/ Scientist/Assessor/Analyst/Environmental Specialist II	$125.00
Project Manager/Consultant/Planner/ Scientist/Assessor/ Environmental Specialist Analyst III	$135.00
Senior Public Assistance/Grant Management Consultant	$135.00
Senior Oracle DBA	$138.00
Senior Planner/ Assessor/Scientist/Analyst	$145.00
Supervising Public Assistance Consultant	$150.00
Senior Consultant/Planner/ Scientist/Assessor/Analyst/ Environmental Specialist	$150.00
Supervising Consultant/Planner/ Scientist/Assessor/Analyst/Environmental Specialist	$158.00
Program Manager	$165.00
Senior Program Manager	$175.00
Principal Consultant/Planner/ Scientist/Assessor/Analyst	$195.00
Principal in Charge/Executive Consultant/Planner/Scientist/Assessor	$225.00
Subject Matter Expert	$244.00
Senior FEMA Appeals Legal Specialist	$350.00

Table C-3: Emergency Network Support Services Hourly Rates

Category	Hourly Rate
Certified Radio Tech	$90.00
Certified Lead Climber	$90.00
Certified Climber	$75.00
Site Acquisition Services	$190.00
Application Developer	$190.00

Debris Monitoring Services Hourly Rates - Cost Comparison of Current and Prior H-GAC Contracts

Category	Current Contract Hourly Rate	Prior Contract Hourly Rate
Field Project Manager	$75.00	$75.00
Operations Manager	$60.00	$59.00
Health and Safety Officer	$59.00	$59.00
Data Manager	$55.00	$55.00
GIS Analyst	$49.00	$49.00
Field Supervisor	$45.00	$42.00
Billing/Invoice Analyst	$39.00	$39.00
Disposal Site Monitor	$35.00	$33.00
Collection Monitor	$35.00	$33.00
Project Coordinator	$34.00	$34.00
Load Ticket Data Entry Clerk	$32.00	$32.00
Call Center Staff	$32.00	$32.00
Optional Electronic Ticketing Device	$3.00	$4.00

Emergency Network Support Services Hourly Rates

Category	Current Contract Hourly Rate	Prior Contract Hourly Rate
Certified Radio Tech	$90.00	N/A
Certified Lead Climber	$90.00	N/A
Certified Climber	$75.00	N/A
Site Acquisition Services	$190.00	N/A
Application Developer	$190.00	N/A

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: July 11, 2016	**ITEM NO.:** New Business No.1
DATE SUBMITTED: June 28, 2016	**DEPARTMENT OF ORIGIN: City Secretary**
PREPARED BY: Young Lorfing	**PRESENTOR: Mayor and Council**
REVIEWED BY: Jon R. Branson	**REVIEW DATE: June 28, 2016**

SUBJECT: Election of a Mayor Pro-Tem

EXHIBITS: Section 3.05 Mayor Pro-Tem, City of Pearland Charter

EXPENDITURE REQUIRED:
AMOUNT BUDGETED:
AMOUNT AVAILABLE:
PROJECT NO.:
ACCOUNT NO.:

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
☐ **Finance** ☐ **Legal** ☐ **Ordinance** ☐ **Resolution**

EXECUTIVE SUMMARY

City of Pearland Charter Section 3.05 Mayor pro tem, states the city council at its first meeting after election of councilmembers shall elect one (1) of its members mayor pro tem, and he/she shall perform all the duties of the mayor in the absence or disability of the mayor.

RECOMMENDED ACTION

Elect a Mayor Pro-Tem.

in any calculation of the number of votes needed for the city council to take any action authorized by this charter, except when the mayor is allowed to vote in the case of a tie vote.

(c) In the first election year after adoption of the charter, two (2) councilmembers shall be elected for positions 1 and 5. In the second election year after adoption of this charter, the mayor and one (1) councilmember for position 3 shall be elected. In the third election year after adoption of this charter two (2) councilmembers shall be elected for positions 2 and 4.

(d) The mayor and each councilmember shall hold office for a period of three (3) years and until his/her successor is elected and qualified. All elections shall be held in the manner provided for by this charter and the election laws of the State of Texas.

(e) Councilmembers shall be limited to two (2) full consecutive elected terms of office, and there shall be no limitation on the office of mayor.

(Res. No. R90-14, § III, ratified 5-5-90, approved 5-7-90; Res. No. R94-22, §§ I(2), III, ratified 5-7-94, approved 5-9-94; Amd. of 5-13-06)

Section 3.02. Qualifications.

Each member of the city council shall be a resident citizen of the City of Pearland, shall be a qualified voter of the State of Texas, shall have been such resident citizen of the City of Pearland for a period of not less than six (6) months immediately preceding his/her election, and shall not be indebted to the City of Pearland. If the mayor or any councilmember fails to maintain the foregoing qualifications or shall be absent from two (2) regularly scheduled meetings within any six-month period without valid excuse, the city council must, at its next regular meeting, declare a vacancy as set forth in section 3.06 of this charter. No member of the city council of the City of Pearland shall hold any paid position under the city government during their term of office.

(Res. No. R90-14, § III, ratified 5-5-90, approved 5-7-90)

Section 3.03. Council to be judge of election qualifications.

The city council shall be the judge of the election and qualification of its own members and other elected officials of the city.

Section 3.04. Compensation.

The city council shall recommend the compensation to be received by its members for attendance at its meetings with any changes in compensation subject to voters' approval by a simple majority at the next regular election.

Code references—Mayor's salary, § 2-1; councilmembers' salary, § 2-2.

Section 3.05. Mayor pro tem.

The city council at its first meeting after election of councilmembers shall elect one (1) of its members mayor pro tem, and he/she shall perform all the duties of the mayor in the absence or disability of the mayor.

(Res. No. R90-14, § III, ratified 5-5-90, approved 5-7-90)

Section 3.06. Vacancies.

Vacancies in the council, including the office of mayor, shall be filled at a special election which shall be called by the remaining members of the council.

Section 3.07. Powers of the city council.

All powers and authority which are expressly or impliedly conferred on or pos-

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: July 11, 2016	**ITEM NO.:** Ordinance No. 2000M-149
DATE SUBMITTED: June 28, 2016	**DEPT. OF ORIGIN: Planning**
PREPARED BY: Frankie Legaux	**PRESENTOR: Lata Krishnarao**
REVIEWED BY: Lata Krishnarao	**REVIEW DATE: June 30, 2016**

SUBJECT: Ordinance No. 2000M-149 - An ordinance of the City Council of the City of Pearland, Texas, **amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas**, for the purpose of changing the classification of certain property being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road. **(Located at 5134 Bailey Road)** Zone Change Application No. ZONE 16-00005, a request of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional zoning district; on approximately 4.1919 acres of land; providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

ATTACHMENTS: Ordinance No. 2000M-149 and Exhibits (Exhibit A- Legal Description; Exhibit B – Vicinity map; Exhibit C – Legal Ad: Exhibit D – Planning and Zoning Recommendation Letter); Joint Public Hearing Packet (06.20.16)

EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED: N/A**
AMOUNT AVAILABLE: N/A **PROJECT NO.: N/A**
ACCOUNT NO.: N/A

ADDITIONAL APPROPRIATION REQUIRED: N/A
ACCOUNT NO.: N/A
PROJECT NO.: N/A

To be completed by Department:
Finance **Legal** **Ordinance** **Resolution**

SUMMARY: This request is for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional (OP) on approximately 4.1919 acres of land, located at 5134 Bailey Road. The property was annexed in December, 2015, with an existing child day care business use on the property. At the time of annexation, the annexed area was brought into the City as SD zoning district. This zoning district is a default district for newly annexed land until zoned for a particular use.

Subsequently, the City initiated annexation proceedings for the general area, to rezone the area from SD to SR-15 (Suburban Residential -15). Based on the owner's request, this property was excluded from the rezoning from SD to SR-15 because a daycare would be a non-conforming use in the SR-15 zoning district. The owner met with staff to discuss the zone change and submitted a zone change application to change the zoning to OP.

Approval of this rezoning request would make the existing commercial use of the property a conforming use, as commercial uses are not permitted in the SD zoning district. However, a CUP would still be required to allow for a child daycare center use and a concurrent application for the CUP has been submitted.

RECOMMEDATION: Staff recommends approval of the change in zoning from the SD district to the OP district on the approximately 4.1919 acre site for the following reasons:

1. The Comprehensive Plan identifies this area for low-density residential, however, the business was existing on the property prior to annexation into the city. The proposed OP zoning district is intended to permit uses that fit the needs of the surrounding neighborhood. OP zoning is one of the least intense zoning district that allows a daycare business and would prohibit more intense commercial uses.

2. Any change in use or expansion of use would be subject to regulations in the Unified Development Code (UDC) including the Corridor Overlay District (COD) which allows the City to exercise greater control of aesthetics, function, and safety for developments with frontage along specified Major Thoroughfares including Bailey Road.

PUBLIC NOTIFICATION: A Joint Public Hearing was conducted on June 20, 2016. Staff sent public notices, comment forms and a vicinity map to the applicant, the owner of the property and to property owners within 200 feet of the subject property under consideration for the zone change. Additionally, a legal notice of the public hearing was published in the local newspaper, and a notification sign was placed on the property by the applicant.

Of the 13 property owners within the 200 foot notice area, no “Public Comment Forms” regarding this request were returned in favor or opposition to the request. Staff received no phone calls inquiring about the request.

At the Joint Public Hearing meeting, no one spoke in favor or opposition to the request.

PLANNING AND ZONING COMMISSION DISCUSSION: At the regular meeting of the P&Z Commission on June 20, 2016, P&Z Commissioner Pradia made the motion to recommend approval of Zone Change Application No. ZONE 16-00005, Commissioner Starr seconded the motion. The motion passed by a vote of 5-0. Commissioners in attendance at the meeting were: Chairperson Daniel Tunstall, Vice-Chairperson Thomas Duncan, Derrell Isenberg, Troy Pradia, and Mary Starr.

Ordinance No. 2000M – 149

Ordinance No. 2000M-149 - An ordinance of the City Council of the City of Pearland, Texas, **amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas**, for the purpose of changing the classification of certain property being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road. **(Located at 5134 Bailey Road)** Zone Change Application No. ZONE 16-00005, a request of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional (OP) zoning district; on approximately 4.1919 acres of land; providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

WHEREAS, Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional (OP) zoning district; on approximately 4.1919 acres of land on the following described property; said property being legally described in the legal description attached hereto and made a part hereof for all purposes as Exhibit “A,” and more graphically depicted in the vicinity map attached hereto and made a part hereof for all purposes as Exhibit “B”; and

WHEREAS, on the 20th day of June 2016, a Joint Public Hearing was held before the Planning and Zoning Commission and the City Council of the City of Pearland, Texas, notice being given by publication in the official newspaper of the City, the affidavit of publication being attached hereto and made a part hereof for all purposes as Exhibit "C,” said call and notice being in strict conformity with provisions of Section 1.2.2.2 of Ordinance No. 2000T; and

WHEREAS, on the 20th day of June 2016, the Planning and Zoning Commission submitted its report and recommendation to the City Council regarding the proposed change in zoning from the Suburban Development (SD) zoning district to the Office & Professional (OP) zoning district; on approximately 4.1919 acres of land, said recommendation attached hereto and made a part hereof for all purposes as Exhibit "D"; and

WHEREAS, upon receipt of the report from the Planning and Zoning Commission, City Council considered this application and the recommendation of the Planning and Zoning Commission at regular meetings on the 11th day of July 2016 and the 25th day of July 2016; and

WHEREAS, the City Council having fully heard the testimony and argument of all interested parties, and having been fully advised in the premises, finds that in the case of the application of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional (OP) zoning district; on approximately 4.1919 acres of land; presented which, in the judgment of the City Council, would justify the approval of said application; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section I. The following described property located within the corporate City Limits of the City of Pearland, Texas, and presently being located within the Suburban Development (SD) zoning district, is hereby granted a change in zoning to Office & Professional (OP) zoning district, in accordance with all conditions and requirements of the current Unified Development Code approved by the City Council and incorporated for all purposes, such property being more particularly described as:

Legal Description: Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria

County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

General Location: 5134 Bailey Road, Pearland, TX.

Section II. The City Council of the City of Pearland finds and determines that the recitations in the preamble hereof are true and that all necessary prerequisites of law have been accomplished and that no valid protest of the proposed change has been made. The City Council further finds and determines that there has been compliance with the mandates of law in the posting and presentation of this matter to the Planning and Zoning Commission for consideration and decision.

Section III. The City Council of the City of Pearland finds and determines that the amendment adopted herein promotes the health, safety, and general welfare of the public and is a proper valid exercise of the City's police powers.

Section IV. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section V. All rights and remedies, which have accrued in the favor of the City under this Ordinance and its amendments thereto, shall be and are preserved for the benefit of the City.

Section VI. This Ordinance shall become effective after its passage and approval on second and final reading.

PASSED, APPROVED, and ADOPTED on First Reading this 11th day of July, 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

PASSED, APPROVED, and ADOPTED on Second and Final Reading this 25th day of July, 2016.

_____

TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Exhibit A
Legal Description

Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

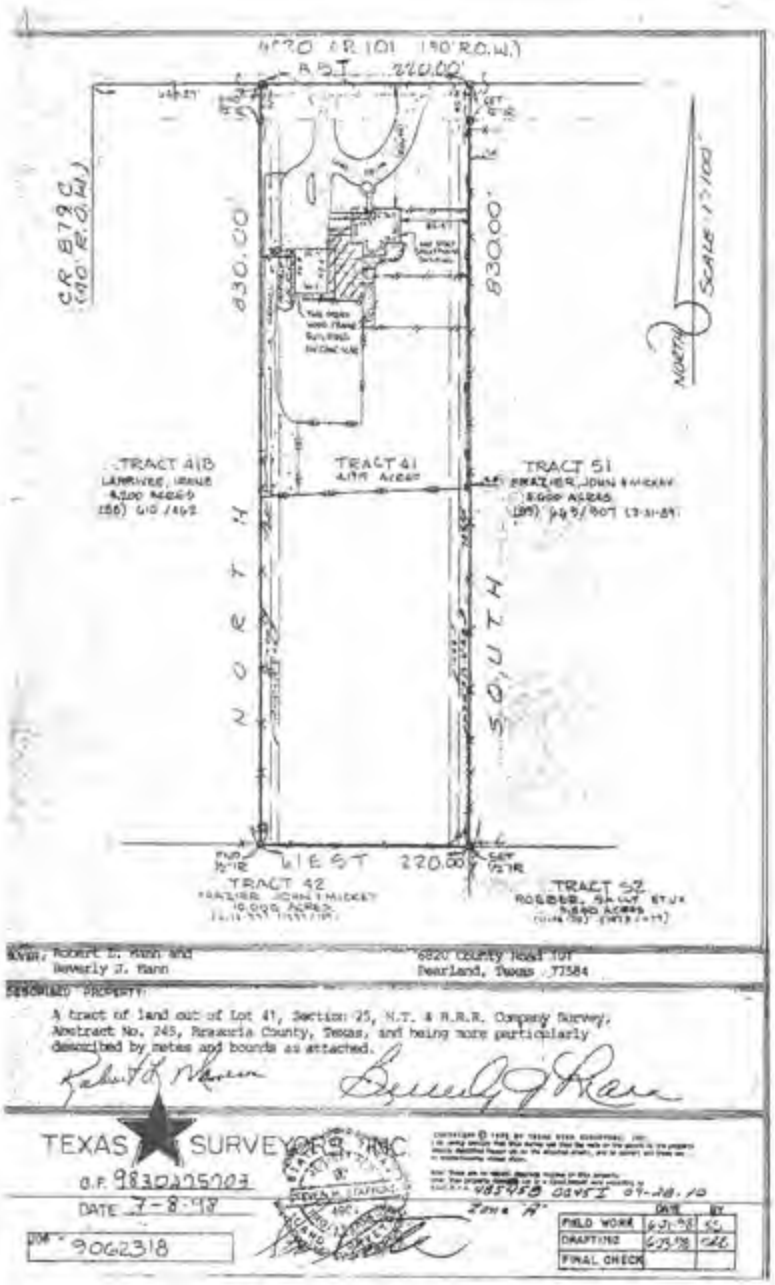

Exhibit B
Vicinity Map

Exhibit C
Legal Ad

NOTICE OF A JOINT PUBLIC HEARING OF THE CITY COUNCIL

AND

THE PLANNING AND ZONING COMMISSION

OF THE CITY OF PEARLAND, TEXAS

ZONE CHANGE APPLICATION NUMBER: ZONE 16-00005

Notice is hereby given that on June 20, 2016, at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, at the request of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional zoning district; on approximately 4.1919 acres of land, to wit:

Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R. R. Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foor strib along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

General Location: 5134 Bailey Road.

At said hearing, all interested parties shall have the right and opportunity to appear and be heard on the subject. For additional information, please contact the Planning Department at 281-652-1765.

Frankie Legaux
City Planner

Exhibit D
Planning and Zoning Commission Recommendation Letter

Planning & Zoning Commission

Recommendation Letter

June 21, 2016

Honorable Mayor and City Council Members
3519 Liberty Drive
Pearland, TX 77581

Re: Recommendation on Zoning Change Application No. ZONE 16-00005

Honorable Mayor and City Council Members:

At their regular meeting on June 20, 2016, the Planning and Zoning Commission considered the following:

> A request of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional zoning district; on approximately 4.1919 acres of land.
>
> **Legal Description**: Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.
>
> **General Location:** 5134 Bailey Road, Pearland, TX.

P&Z Commissioner Pradia made the motion to recommend approval of Zone Change Application No. ZONE 16-00005, Commissioner Starr seconded the motion. The motion passed by a vote of 5-0. Commissioners in attendance at the meeting were: Chairperson Daniel Tunstall, Vice-Chairperson Thomas Duncan, Derrell Isenberg, Troy Pradia, and Mary Starr.

Sincerely,

Frankie Legaux

Frankie Legaux
City Planner
On behalf of the Planning and Zoning Commission

JOINT PUBLIC HEARING
THE CITY COUNCIL CITY AND THE PLANNING AND ZONING COMMISSION OF THE CITY OF PEARLAND, TEXAS,
MONDAY, JUNE 20, 2016, AT 6:30 P.M.
COUNCIL CHAMBERS - CITY HALL-3519 LIBERTY DRIVE

I. CALL TO ORDER

II. PURPOSE OF HEARING

Zone Change Application No. ZONE 16-00005

A request of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional zoning district; on approximately 4.1919 acres of land.

Legal Description: Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

General Location: 5134 Bailey Road.

III. APPLICATION INFORMATION AND CASE SUMMARY

A. STAFF REPORT
B. APPLICANT PRESENTATION
C. STAFF WRAP UP

IV. PERSONS WISHING TO SPEAK FOR OR AGAINST THE PROPOSED REQUEST

V. COUNCIL/PLANNING COMMISSION/STAFF DISCUSSION

VI. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing, City Secretary, at 281-652-1655 prior to the meeting so that appropriate arrangements can be made.

Staff Report

To: City Council and Planning and Zoning Commission

From: Planning Department

Date: June 20, 2016

Re: Zone Change Application No. ZONE 16-00005

A request of Beverly Childs, owner/applicant; for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional zoning district; on approximately 4.1919 acres of land.

General Location: 5134 Bailey Road.

Summary of Request

This request is for approval of a change in zoning from the Suburban Development (SD) zoning district to the Office & Professional (OP) on approximately 4.1919 acres of land, located at 5134 Bailey Road. The property was annexed in December, 2015, with an existing child day care business use on the property. At the time of annexation, the annexed area was brought into the City as SD zoning district. This zoning district is a default district for newly annexed land until zoned for a particular use.

Subsequently, the City initiated annexation proceedings for the general area, to rezone the area from SD to SR-15 (Suburban Residential -15). Based on the owner's request, this property was excluded from the rezoning from SD to SR-15 because a daycare would be a non-conforming use in the SR-15 zoning district. The owner met with staff to discuss the zone change and submitted a zone change application to change the zoning to OP.

Approval of this rezoning request would make the existing commercial use of the property a conforming use, as commercial uses are not permitted in the SD zoning district. However, a CUP would still be required to allow for a child daycare center use and a concurrent application for the CUP has been submitted.

Recommendation

Staff recommends approval of the change in zoning from the SD district to the OP district on the approximately 4.1919 acre site for the following reasons:

1. The Comprehensive Plan identifies this area for low-density residential, however, the business was existing on the property prior to annexation into the city. The proposed OP zoning district is intended to permit uses that fit the needs of the surrounding neighborhood. OP zoning is one of the least intense zoning district that allows a daycare business and would prohibit more intense commercial uses.

2. Any change in use or expansion of use would be subject to regulations in the Unified Development Code (UDC) including the Corridor Overlay District (COD) which allows the City to exercise greater control of aesthetics, function, and safety for developments with frontage along specified Major Thoroughfares including Bailey Road.

Site History

The subject property is currently developed as a child day care center and zoned SD. The property was annexed into the city in December, 2015, and automatically zoned SD.

The site is bounded by SR-15 zoning to the east and west, and Single Family Residential - 3 (R-3) to the north across Bailey Road. The property is located in the City however, to the south of the southern property boundary is Pearland's Extraterritorial Jurisdiction (ETJ). The below table identifies surrounding uses and zoning districts:

	Zoning	Land Use
North	Single Family Residential - 3 (R-3)	Residential – Park Village Estate Section 6
South	Extraterritorial Jurisdiction (ETJ)	Residential
East	Suburban Residential - 15 (SR-15)	Undeveloped
West	Suburban Residential - 15 (SR-15)	Residential – J'rene Villa Mobile Home Park

Conformance with the Comprehensive Plan

The current zoning of SD is not in conformance with the Future Land Use Plan (FLUP). The FLUP designates this property as "Low Density Residential" which is described as appropriate for single family detached dwellings. The property is currently under proposal for rezoning to OP. The Comprehensive Plan recommends that neighborhood

retail and services should be located at the intersections of Thoroughfares or Collector streets or at the edge of logical neighborhood areas. The proposed OP district has more restricted land uses than the Neighborhood Services (NS) zoning classification. The Comprehensive Plan does not designate this area to be a retail node. However, this property was developed as a child day care prior to being annexed within the City and the child day care use requires a CUP in an OP zone. Further, the current use adds value to the neighborhood by providing a needed service as evidenced by its continued business.

Conformance with the Thoroughfare Plan

According to City records, Bailey Road is a Major Thoroughfare which is in the process of being widened. Major Thoroughfares are defined as having a minimum right-of-way of 120 feet.

Conformance with the Unified Development Code

The property is developed with a day care that is a non-conforming use in its current zoning classification. The applicant plans to maintain the existing child day care facility.

The lot requirements exceed the lot and setback requirements of the proposed OP zoning district, as indicated in the in the following table.

Office & Professional (OP) Area Regulations		
Size of Lot	**Required**	**Proposed**
Minimum Lot Size	12,500 sq. ft.	Approximately 182,952 sq. ft.
Minimum Lot Width	100 ft.	Approximately 200 ft.
Minimum Lot Depth	100 ft.	Approximately 800 ft.

Without the CUP, the use of the property may continue in its current state as a non-conforming use. If the property undergoes any major changes, it will be required to meet current development standards. The property falls within the Corridor Overlay District (COD) and any development would be required to be in compliance with the COD requirements in addition to other UDC requirements.

Platting Status

The subject property has not been platted. Platting will be required if there is an expansion of 500 square-feet or more in parking or building area.

Availability of Utilities

The property is not served by City water and sewer. A private water well and septic system currently serve the property.

Impact on Existing and Future Development

The proposed zoning should not have any negative impact on existing or future development as the uses existed prior to annexation and due to the existing buffers. Any changes in use and expansions would require conformance with the Unified Development Code.

Additional Comments

The request has been reviewed by the City's Development Review Committee (DRC), and there were no additional comments from other departments at the time of this report.

Public Notification

Staff sent public notices, comment forms and a vicinity map to the applicant, the owner of the property and to property owners within 200 feet of the subject property under consideration for the zone change. Additionally, a legal notice of the public hearing was published in the local newspaper, and a notification sign was placed on the property by the applicant.

Opposition to or Support of Proposed Request

Staff has not received any returned notices in opposition to or in support of the proposed change in zoning request.

Exhibits

1. Aerial Map
2. Zoning Map
3. Future Land Use Map
4. Notification Map
5. Notification List
6. Applicant Packet

Exhibit 1

AERIAL MAP

ZONE 16-00005

5134 Bailey Road

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

1 inch = 144 feet

MAY 2016
PLANNING DEPARTMENT

N

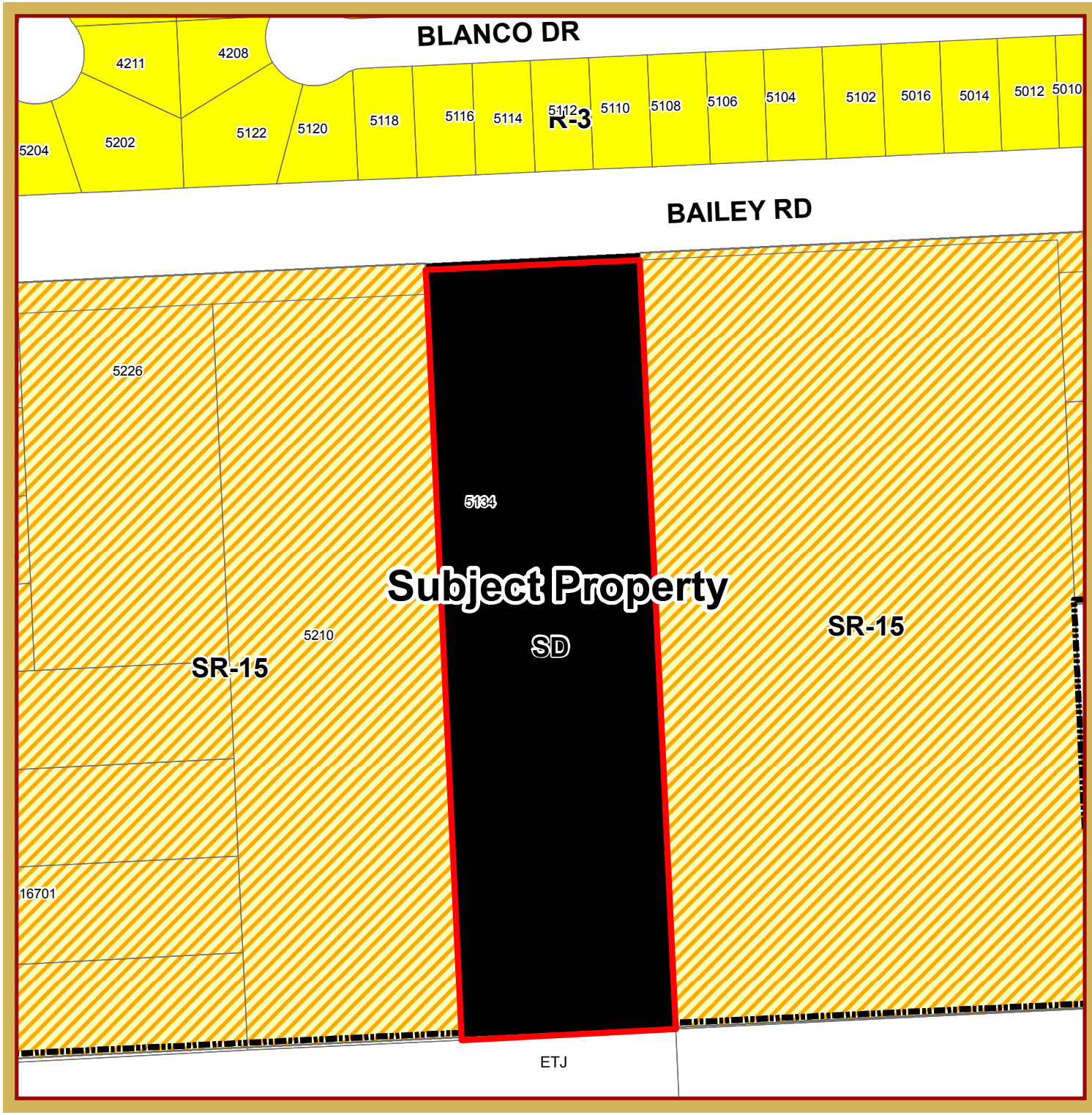

Exhibit 2

ZONING MAP

ZONE 16-00005

5134 Bailey Road

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1 inch = 144 feet

MAY 2016
PLANNING DEPARTMENT

N

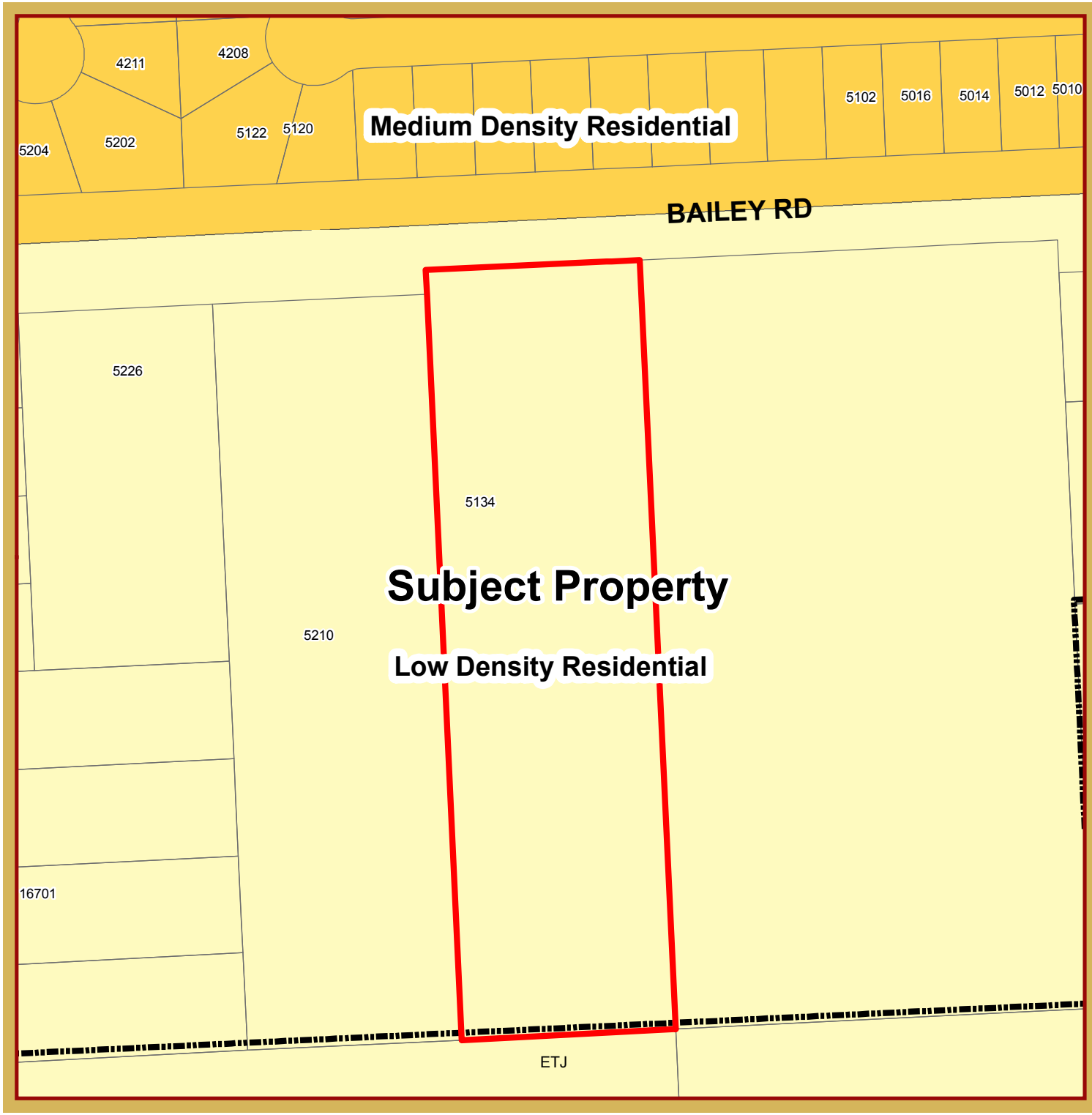

Exhibit 3

FLUP MAP

ZONE 16-00005

5134 Bailey Road

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1 inch = 144 feet

MAY 2016
PLANNING DEPARTMENT

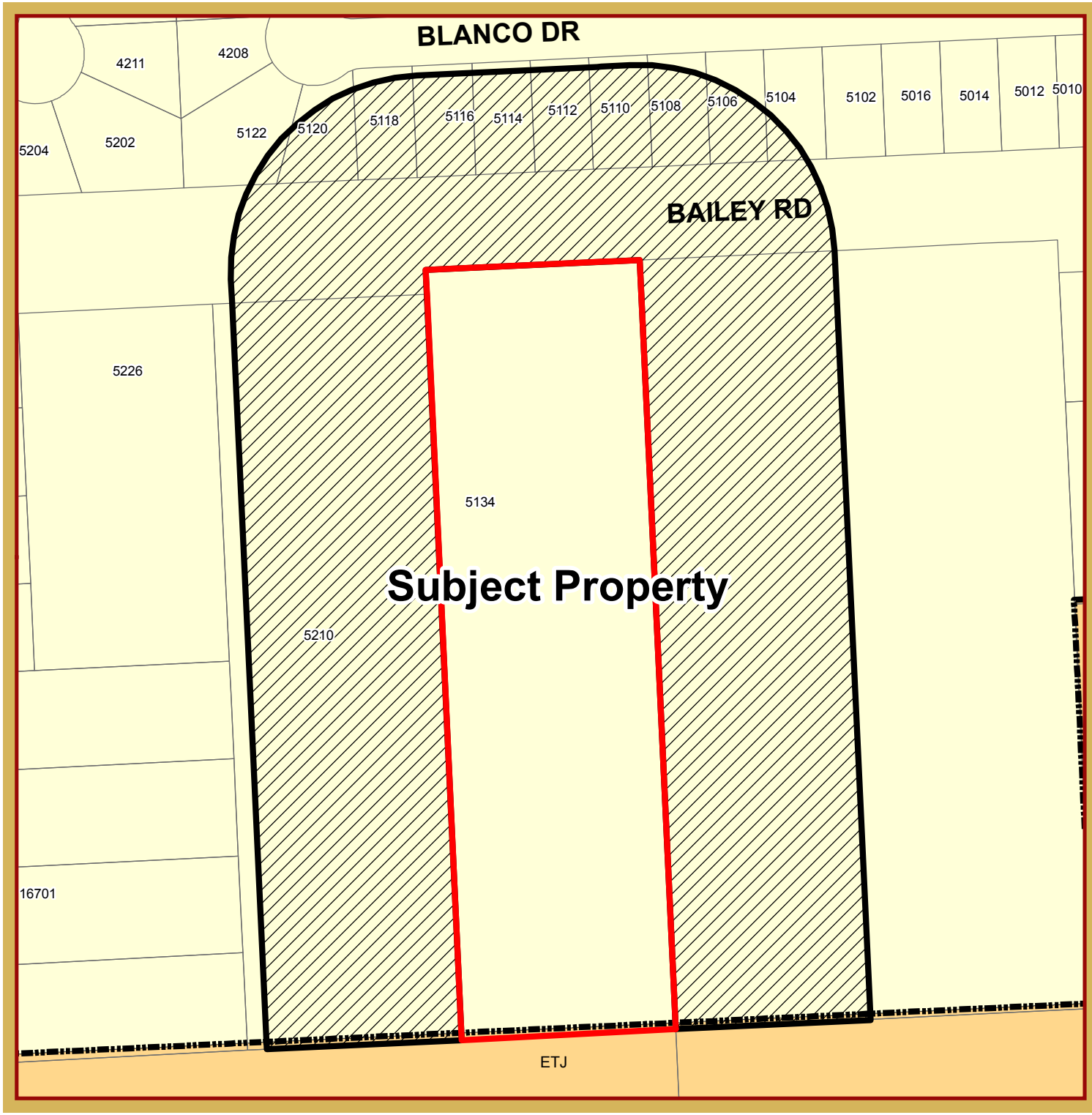

Exhibit 4

NOTIFICATION MAP

ZONE 16-00005

5134 Bailey Road

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1 inch = 144 feet

MAY 2016
PLANNING DEPARTMENT

N

Exhibit 5
ZONE 16-00005
5134 Bailey Road

Property_Owner	Address	City	State	Zip_Code
ANDREWS NATHAN ZENE	5108 BLANCO DR	PEARLAND	TX	77584
BENNETT KALISHA J HUDSON	5110 BLANCO DR	PEARLAND	TX	77584
CARDER DARRELL JR & ANITA	5112 BLANCO DR	PEARLAND	TX	77584
CHILDS BEVERLY	**5134 BAILEY RD**	**PEARLAND**	**TX**	**77584**
DUHON TERESA	12646 BLACKSTONE RIVER DR	HUMBLE	TX	77346
ENGLISH BRYAN A	5104 BLANCO DR	PEARLAND	TX	77584
FRAZIER MICKEY & JOHN B	16801 BERRY RD	PEARLAND	TX	77584
GIROUARD JEFFREY L & KIMBERLY A	309 CHARLESTON ST	FRIENDSWOOD	TX	77546
IZAGUIRRE JAIME	5120 BLANCO DR	PEARLAND	TX	77584
KELLY SCOTT M	5106 BLANCO DR	PEARLAND	TX	77584
LONG RONNIE D & MARGARET E	5118 BLANCO DR	PEARLAND	TX	77584
MANN BEVERLY J	PO BOX 3054	PEARLAND	TX	77588
MILLS KEVIN & CHERIE	5122 BLANCO DR	PEARLAND	TX	77584
RUSSELL MICHAEL S	5116 BLANCO DR	PEARLAND	TX	77584

City of Pearland
Planning Department
Universal Application

City of Pearland
Community Development
3523 Liberty Drive
(Community Center)
Pearland, Texas 77581
281.652.1765
281.652.1702 (fax)
pearlandtx.gov

Please complete each field - incomplete applications will **not** be accepted.
Include the applicable checklist for each project type with this application.
Refer to the schedule on the City's website and/or within the Planning Department for deadlines and anticipated meeting dates for each project type.

TYPE OF APPLICATION:

- [x] Zoning Change (from) SD (to) OP
- [ ] Cluster Development Plan
- [ ] Planned Development Workshop
- [ ] Plat (list type)*: _____
- [ ] ZBA Variance
- [ ] P&Z Variance
- [ ] Special Exception
- [x] Conditional Use Permit

**Plat Types include: Minor, Amending, Preliminary, Final, Master, Replat*

PROJECT INFORMATION:

- [ ] Residential
- [x] Commercial
- [ ] Property Platted
- [ ] Property Not Platted

Project Name: _____ Tax ID: _____

Project Address/Location: _____

Subdivision: _____ No. of Lots: _____ Total Acres: _____

Brief Description of Project: _____

When a completed application packet has been accepted and reviewed, additional information may be required by staff as a result of the review, therefore it may be necessary to postpone the proposed project and remove it from the scheduled agenda and place it on a future agenda according to Section 1.2.1.2 of the Unified Development Code.

PROPERTY OWNER INFORMATION:

Name: Beverly Childs
Address: 5134 Bailey Road
City: Pearland State: TX Zip: 77584
Phone: 281-489-7419
Fax: 281-489-3389
Email Address: msbhere@hotmail.com
placetogrow@aol.com

APPLICANT/AGENT INFORMATION:

Name: same
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____
Fax: _____
Email Address: _____

**Property owner must be the current owner of the property at the time of submittal of the application, and not the party that has the property under contract.
As owner and applicant, I hereby request approval of the above described request as provided for by the Unified Development Code of the City of Pearland.

**Owner's Signature: Beverly Childs Date: 5-16-16

Agent's/
Applicant's Signature: _____ Date: _____

OFFICE USE ONLY:

FEES PAID: —	DATE PAID: —	RECEIVED BY: FL	RECEIPT NUMBER: —

APPLICATION NUMBER: ZONC 16-0005

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: July 11, 2016	**ITEM NO.:** Ordinance No. CUP 16-00004
DATE SUBMITTED: June 29, 2016	**DEPT. OF ORIGIN: Planning**
PREPARED BY: Frankie Legaux	**PRESENTOR: Lata Krishnarao**
REVIEWED BY: Lata Krishnarao	**REVIEW DATE: June 30, 2016**

SUBJECT: Ordinance No. CUP 16-00004 - An ordinance of the City Council of the City of Pearland, Texas, approving a **Conditional Use Permit (CUP) to allow for Child Day Care Center (Business) in the Office & Professional zone**, being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road. **(Located at 5134 Bailey Road.)** Conditional Use Permit Application No 16-00004, within the Office & Professional (OP) zoning district, at the request of Beverly Childs, owner/applicant, containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

ATTACHMENTS: Ordinance No. CUP 16-00004 and Exhibits (Exhibit A – Legal Description; Exhibit B – Location Map; Exhibit C – Legal Ad; Exhibit D – Planning and Zoning Commission Recommendation Letter; Exhibit E – Site Plan and Attachments); Joint Public Hearing Packet (06.20.16)

To be completed by Department:

Finance	**Legal**	**Ordinance**	**Resolution**

<u>SUMMARY:</u> This request is for approval of a Conditional Use Permit (CUP) on approximately 4.1919 acres of land, located at 5134 Bailey Road, to allow for a child day care center in the Office & Professional (OP) zoning district. The property was annexed in December, 2015, with an existing child day care business use on the

property. The owner of the day care has requested this CUP to continue the current use of child day care center within the OP zoning district.

RECOMMENDATION: Staff recommends approval of the requested CUP for a child day care center on the approximately 4.1919 acre site for the following reasons:

1. The Comprehensive Plan identifies this area for low-density residential, however, the existing business was established on the property prior to its annexation into the city.

2. The proposed CUP for a daycare use is a low intensity use that would complement the proposed low intensity zoning of OP especially considering the location among residential uses.

3. Any change in use or expansion of use would be subject to regulations in the Unified Development Code (UDC) including the Corridor Overlay District (COD).

4. If the daycare expands, the site has adequate room for the required buffers from adjacent properties. There is a narrow landscape strip existing along the west property line adjacent to the mobile home development. The playground for the daycare is adjacent to the undeveloped property to the east. Any expansion would need to meet the buffering requirements of the UDC and COD and should have minimal impact on surrounding development

PUBLIC NOTIFICATION: A Joint Public Hearing was conducted on June 20, 2016. Staff sent public notices, comment forms and a vicinity map to the applicant, the owner of the property and to property owners within 200 feet of the subject property under consideration for the Conditional Use Permit. Additionally, a legal notice of the public hearing was published in the local newspaper, and a notification sign was placed on the property by the applicant.

Of the 14 property owners within the 200 foot notice area, no “Public Comment Forms” regarding this request were returned in favor or opposition to the request.

At the Joint Public Hearing meeting the owner made a presentation about the property. There was no additional public comment in favor or opposition to the request.

PLANNING AND ZONING COMMISSION DISCUSSION: At the regular meeting of the P&Z Commission on June 20, 2016, P&Z Commissioner Pradia made the motion to recommend approval of Conditional Use Application No. CUP 16-00004, P&Z Commissioner Starr seconded the motion. The motion passed by a vote of 5-0. Commissioners in attendance at the meeting were: Chairperson Daniel Tunstall, Vice-Chairperson Thomas Duncan, Derrell Isenberg, Troy Pradia, and Mary Starr.

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: July 11, 2016	**ITEM NO.:**
DATE SUBMITTED: June 29, 2016	**DEPT. OF ORIGIN: Planning**
PREPARED BY: Frankie Legaux	**PRESENTOR: Lata Krishnarao**
REVIEWED BY: Lata Krishnarao	**REVIEW DATE: June 30, 2016**

SUBJECT: Ordinance No. CUP 16-00004 - An ordinance of the City Council of the City of Pearland, Texas, approving a **Conditional Use Permit (CUP) to allow for Child Day Care Center (Business) in the Office & Professional zone**, being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road. **(Located at 5134 Bailey Road.)** Conditional Use Permit Application No 16-00004, within the Office & Professional (OP) zoning district, at the request of Beverly Childs, owner/applicant, containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

ATTACHMENTS: Ordinance No. CUP 16-00004 and Exhibits (Exhibit A – Legal Description; Exhibit B – Location Map; Exhibit C – Legal Ad; Exhibit D – Planning and Zoning Commission Recommendation Letter; Exhibit E – Site Plan and Attachments); Joint Public Hearing Packet (06.20.16)

To be completed by Department:

Finance	**Legal**	**Ordinance**	**Resolution**

<u>SUMMARY:</u> This request is for approval of a Conditional Use Permit (CUP) on approximately 4.1919 acres of land, located at 5134 Bailey Road, to allow for a child day care center in the Office & Professional (OP) zoning district. The property was annexed in December, 2015, with an existing child day care business use on the

property. The owner of the day care has requested this CUP to continue the current use of child day care center within the OP zoning district.

RECOMMENDATION: Staff recommends approval of the requested CUP for a child day care center on the approximately 4.1919 acre site for the following reasons:

1. The Comprehensive Plan identifies this area for low-density residential, however, the existing business was established on the property prior to its annexation into the city.

2. The proposed CUP for a daycare use is a low intensity use that would complement the proposed low intensity zoning of OP especially considering the location among residential uses.

3. Any change in use or expansion of use would be subject to regulations in the Unified Development Code (UDC) including the Corridor Overlay District (COD).

4. If the daycare expands, the site has adequate room for the required buffers from adjacent properties. There is a narrow landscape strip existing along the west property line adjacent to the mobile home development. The playground for the daycare is adjacent to the undeveloped property to the east. Any expansion would need to meet the buffering requirements of the UDC and COD and should have minimal impact on surrounding development

PUBLIC NOTIFICATION: A Joint Public Hearing was conducted on June 20, 2016. Staff sent public notices, comment forms and a vicinity map to the applicant, the owner of the property and to property owners within 200 feet of the subject property under consideration for the Conditional Use Permit. Additionally, a legal notice of the public hearing was published in the local newspaper, and a notification sign was placed on the property by the applicant.

Of the 14 property owners within the 200 foot notice area, no “Public Comment Forms” regarding this request were returned in favor or opposition to the request.

At the Joint Public Hearing meeting the owner made a presentation about the property. There was no additional public comment in favor or opposition to the request.

PLANNING AND ZONING COMMISSION DISCUSSION: At the regular meeting of the P&Z Commission on June 20, 2016, P&Z Commissioner Pradia made the motion to recommend approval of Conditional Use Application No. CUP 16-00004, P&Z Commissioner Starr seconded the motion. The motion passed by a vote of 5-0. Commissioners in attendance at the meeting were: Chairperson Daniel Tunstall, Vice-Chairperson Thomas Duncan, Derrell Isenberg, Troy Pradia, and Mary Starr.

Ordinance No. CUP 16-00004

Ordinance No. CUP 16-00004 - An ordinance of the City Council of the City of Pearland, Texas, approving a **Conditional Use Permit (CUP) to allow for Child Day Care Center (Business) in the Office & Professional zone**, being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road**. (Located at 5134 Bailey Road.)** Conditional Use Permit Application No CUP 16-00004, within the Office & Professional (OP) zoning district, at the request of Beverly Childs, owner/applicant, containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

WHEREAS, Beverly Childs, owner/applicant; is requesting approval of a Conditional Use Permit (CUP) to allow for a Child Day Care Center use on an approximately 4.1919 acres of land on the following described property; said property being legally described in the legal description attached hereto and made a part hereof for all purposes as Exhibit “A,” and more graphically depicted in the vicinity map attached hereto and made a part hereof for all purposes as Exhibit “B”; and

WHEREAS, on the 20th day of May 2016, a Joint Public Hearing was held before the Planning and Zoning Commission and the City Council of the City of Pearland, Texas, notice being given by publication in the official newspaper of the City, the affidavit of publication being attached hereto and made a part hereof for all purposes as Exhibit "C,” said call and notice being in strict conformity with provisions of Section 1.2.2.2 of Ordinance No. 2000T; and

WHEREAS, on the 20th day of May 2016, the Planning and Zoning Commission

submitted its report and recommendation to the City Council regarding the proposed Conditional Use Permit (CUP) to allow for a Child Day Care Center use on an approximately 4.1919 acres of land, said recommendation attached hereto and made a part hereof for all purposes as Exhibit "D"; and

WHEREAS, upon receipt of the report from the Planning and Zoning Commission, City Council considered this application and the recommendation of the Planning and Zoning Commission at regular meetings on the 11th day of July 2016 and the 25th day of July 2016; and

WHEREAS, the City Council having fully heard the testimony and argument of all interested parties, and having been fully advised in the premises, finds that in the case of the application of Beverly Childs, owner/applicant; for approval of a Conditional Use Permit on approximately 4.1919 acres of land to allow for a Child Day Care Center use; presented which, in the judgment of the City Council, would justify the approval of said application; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section I. The following described property located within the corporate City Limits of the City of Pearland, Texas, and presently being located within the Office & Professional (OP) zoning district, is hereby granted a Conditional Use Permit (CUP) to allow for a Child Day Care Center use, subject to all requirements of the OP zoning district, in accordance with all conditions and requirements of the current Unified Development Code and the following conditions approved by the City Council and incorporated for all purposes, such property being more particularly described as:

Legal Description: Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

General Location: 5134 Bailey Road.

Section II. The City Council of the City of Pearland finds and determines that the recitations in the preamble hereof are true and that all necessary prerequisites of law have been accomplished and that no valid protest of the proposed change has been made. The City Council further finds and determines that there has been compliance with the mandates of law in the posting and presentation of this matter to the Planning and Zoning Commission for consideration and decision.

Section III. The City Council of the City of Pearland finds and determines that the amendment adopted herein promotes the health, safety, and general welfare of the public and is a proper valid exercise of the City's police powers.

Section IV. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section V. All rights and remedies, which have accrued in the favor of the City under this Ordinance and its amendments thereto, shall be and are preserved for the benefit of the City.

Section VI. This Ordinance shall become effective after its passage and

approval on second and final reading.

PASSED, APPROVED, and ADOPTED on First Reading this 11th day of July, 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

PASSED, APPROVED, and ADOPTED on Second and Final Reading this 25th day of July, 2016.

_____

TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Exhibit A
Legal Description

Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foor strib along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

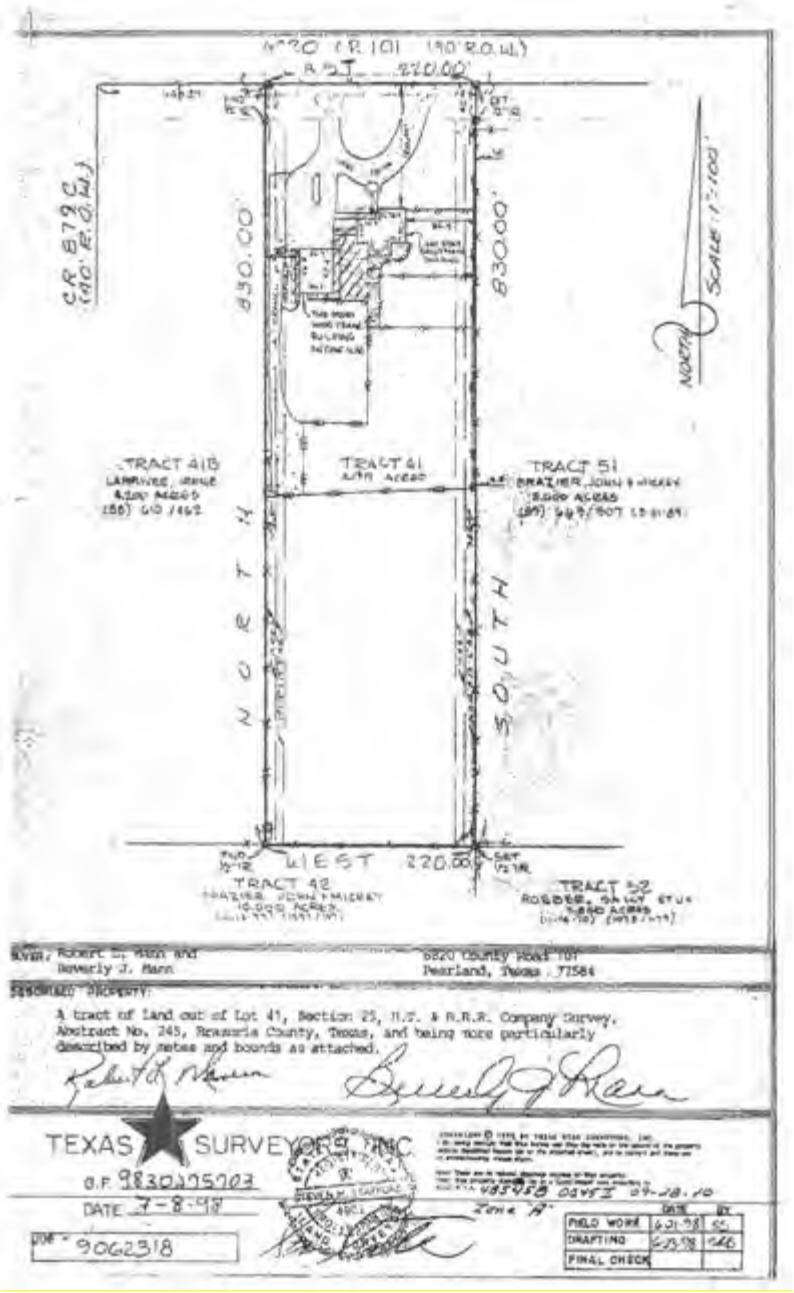

Exhibit B
Vicinity Map

Exhibit C
Legal Ad

NOTICE OF A JOINT PUBLIC HEARING OF THE CITY COUNCIL AND THE PLANNING AND ZONING COMMISSION OF THE CITY OF PEARLAND, TEXAS

CONDITIONAL USE PERMIT APPLICATION NUMBER: CUP 16-00004

Notice is hereby given that on June 20, 2016, at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, at the request of Beverly Childs, owner/applicant; for approval of a Conditional Use Permit to allow for a Child Day Care Center (Business) in the Office & Professional zoning district; on approximately 4.1919 acres of land, to wit:

Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

General Location: 5134 Bailey Road.

At said hearing, all interested parties shall have the right and opportunity to appear and be heard on the subject. For additional information, please contact the Planning Department at 281-652-1765.

Frankie Legaux
City Planner

Exhibit D
Planning and Zoning Commission Recommendation Letter

Planning & Zoning Commission

Recommendation Letter

June 22, 2016

Honorable Mayor and City Council Members
3519 Liberty Drive
Pearland, TX 77581

Re: Recommendation on CUP Application CUP 16-00004

Honorable Mayor and City Council Members:

At their regular meeting on June 20, 2016, the Planning and Zoning Commission considered the following:

> A request of Beverly Childs, owner/applicant; for approval of a Conditional Use Permit to allow for a Child Day Care Center (Business) in the Office & Professional zoning district; on approximately 4.1919 acres of land.
>
> **Legal Description**: Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foor strib along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.
>
> **General Location:** 5134 Bailey Road.

P&Z Commissioner Pradia made the motion to recommend approval of Conditional Use Application No. CUP 16-00004, P&Z Commissioner Starr seconded the motion. The motion passed by a vote of 5-0. Commissioners in attendance at the meeting were: Chairperson Daniel Tunstall, Vice-Chairperson Thomas Duncan, Derrell Isenberg, Troy Pradia, and Mary Starr.

Sincerely,

Frankie Legaux

Frankie Legaux
City Planner
On behalf of the Planning and Zoning Commission

JOINT PUBLIC HEARING
THE CITY COUNCIL CITY AND THE PLANNING AND ZONING COMMISSION OF THE CITY OF PEARLAND, TEXAS,
MONDAY, JUNE 20, 2016, AT 6:30 P.M.
COUNCIL CHAMBERS - CITY HALL-3519 LIBERTY DRIVE

I. CALL TO ORDER

II. PURPOSE OF HEARING

Conditional Use Permit Application No. CUP 16-00004

A request of Beverly Childs, owner/applicant; for approval of a Conditional Use Permit to allow for a Child Day Care Center (Business) in the Office & Professional zoning district; on approximately 4.1919 acres of land.

Legal Description: Being a tract of land containing 4.1919 acres of land out of Lot Forty-One (41), Section 25, H.T. & B. R.R .Company Survey, Abstract 245, Brazoria County, Texas, and being designated on the Block Books of Brazoria County, Texas of Section 25 and being a part of the same land described in Deed from C. W. Boots, et. ux. to Joe H. Reeder, by Deed dated June 22, 1959, recorded in Volume 744, Page 457, Deed Records, Brazoria County, Texas, Less, Save and Except a 20.00 foot strip along the North side reserved in Deed recorded in Volume 116, Page 581, Deed Records, Brazoria County, Texas, and lying in the road.

General Location: 5134 Bailey Road.

III. APPLICATION INFORMATION AND CASE SUMMARY

A. STAFF REPORT
B. APPLICANT PRESENTATION
C. STAFF WRAP UP

IV. PERSONS WISHING TO SPEAK FOR OR AGAINST THE PROPOSED REQUEST

V. COUNCIL/PLANNING COMMISSION/STAFF DISCUSSION

VI. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing, City Secretary, at 281-652-1655 prior to the meeting so that appropriate arrangements can be made.

Staff Report

To: City Council and Planning and Zoning Commission

From: Planning Department

Date: June 20, 2016

Re: Conditional Use Permit Application No. CUP 16-00004

A request of Beverly Childs, owner/applicant; for approval of a Conditional Use Permit to allow for a Child Day Care Center (Business) in the Office & Professional zoning district; on approximately 4.1919 acres of land.

General Location: 5134 Bailey Road.

Summary of Request

This request is for approval of a Conditional Use Permit (CUP) on approximately 4.1919 acres of land, located at 5134 Bailey Road, to allow for a child day care center in the Office & Professional (OP) zoning district. The property was annexed in December, 2015, with an existing child day care business use on the property. The owner of the day care has requested this CUP to continue the current use of child day care center within the OP zoning district.

Recommendation

Staff recommends approval of the requested CUP for a child day care center on the approximately 4.1919 acre site for the following reasons:

1. The Comprehensive Plan identifies this area for low-density residential, however, the existing business was established on the property prior to its annexation into the city.

2. The proposed CUP for a daycare use is a low intensity use that would complement the proposed low intensity zoning of OP especially considering the location among residential uses.

3. Any change in use or expansion of use would be subject to regulations in the Unified Development Code (UDC) including the Corridor Overlay District (COD).

4. If the daycare expands, the site has adequate room for the required buffers from adjacent properties. There is a narrow landscape strip existing along the west property line adjacent to the mobile home development. The playground for the daycare is adjacent to the undeveloped property to the east. Any expansion would need to meet the buffering requirements of the UDC and COD and should have minimal impact on surrounding development

Site History

The subject property is currently developed as a child day care center and zoned Suburban Development (SD). The property was annexed into the city in December, 2015, and automatically zoned SD. The property is concurrently requesting a change of zoning to OP. Additionally, the property falls within the boundaries of the COD which allows the City to exercise greater control of aesthetics, function, and safety of any future development on this site.

The site is bounded by Suburban Residential –15 (SR-15) zoning to the east and west, and Single Family Residential - 3 (R-3) to the north across Bailey Road. The property is located in the City however, to the south of the southern property boundary is Pearland's Extraterritorial Jurisdiction (ETJ). The below table identifies surrounding uses and zoning districts:

	Zoning	Land Use
North	Single Family Residential - 3 (R-3)	Residential – Park Village Estate Section 6
South	Extraterritorial Jurisdiction (ETJ)	Residential
East	Suburban Residential - 15 (SR-15)	Undeveloped
West	Suburban Residential - 15 (SR-15)	Residential – J'rene Villa Mobile Home Park

Conformance with the Comprehensive Plan

The current zoning of SD is not in conformance with the Future Land Use Plan (FLUP). FLUP designates this property as "Low Density Residential" which is described as appropriate for single family detached dwellings. A zone change to OP is proposed for this property. The Comprehensive Plan recommends that neighborhood retail and services should be located at the intersections of Thoroughfares or Collector streets or at the edge of logical neighborhood areas. The Comprehensive Plan does not designate this area to be a retail node. However, this property was developed prior to being annexed within the City.

The existing use, that requires a CUP in an OP zone, adds value to the neighborhood by providing a needed service as evidenced by its continued business.

Conformance with the Thoroughfare Plan

According to City records, Bailey Road is a Major Thoroughfare that is in the process of being widened. Major Thoroughfares are defined as having a minimum right-of-way of 120 feet.

Conformance with the Unified Development Code

The property is developed with a day care that is a non-conforming use in its current SD zoning classification. The applicant plans to maintain the existing child day care facility. The lot requirements exceed the lot and setback requirements of the proposed OP zoning district, as indicated in the in the following table.

Office & Professional (OP) Area Regulations		
Size of Lot	**Required**	**Proposed**
Minimum Lot Size	12,500 sq. ft.	Approximately 182,952 sq. ft.
Minimum Lot Width	100 ft.	Approximately 200 ft.
Minimum Lot Depth	100 ft.	Approximately 800 ft.

If the property undergoes any major changes, it will be required to meet current development standards. The property falls within the COD and any development would be required to be in compliance with the COD requirements in addition to other UDC requirements.

Platting Status

The subject property has not been platted. Platting will be required if there is an expansion of 500 square-feet or more in parking or building.

Availability of Utilities

The property is not served by City water and sewer. A private water well and septic system currently serve the property.

Impact on Existing and Future Development

The proposed zoning should not have any negative impact on existing or future development as the uses existed prior to annexation. Any changes in use and expansions would require Conformance with the UDC.

Additional Comments

The request has been reviewed by the City's Development Review Committee (DRC), and there were no additional comments from other departments at the time of this report.

Public Notification

Staff sent public notices, comment forms and a vicinity map to the applicant, the owner of the property and to property owners within 200 feet of the subject property under consideration for the zone change. Additionally, a legal notice of the public hearing was published in the local newspaper, and a notification sign was placed on the property by the applicant.

Opposition to or Support of Proposed Request

Staff has not received any returned notices in opposition to or in support of the proposed change in zoning request.

Exhibits

1. Aerial Map
2. Zoning Map
3. Future Land Use Map
4. Notification Map
5. Notification List
6. Applicant Packet

Exhibit 1

AERIAL MAP

CUP 16-00004

5134 Bailey Road

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

1 inch = 144 feet

MAY 2016
PLANNING DEPARTMENT

N

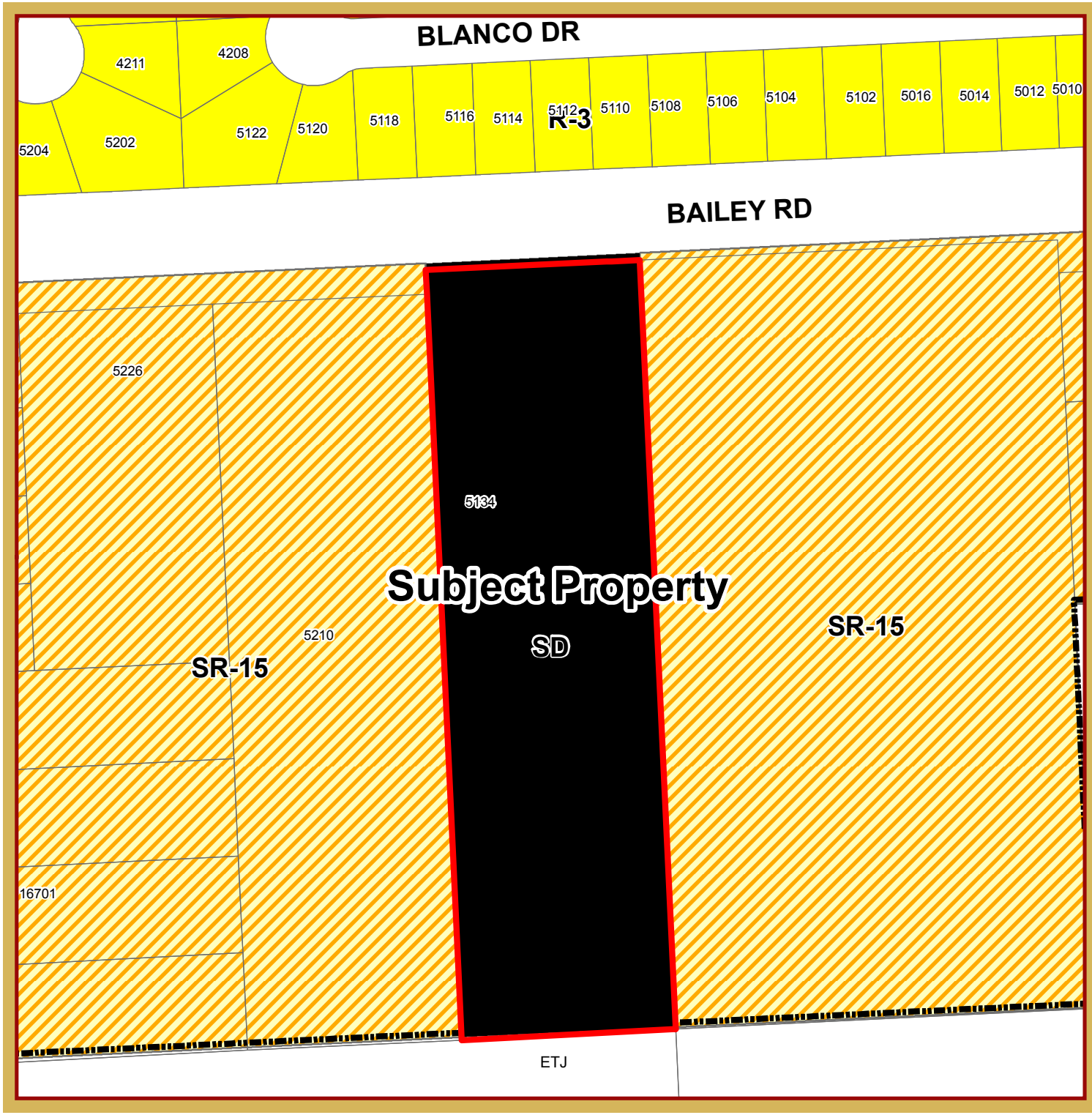

Exhibit 2

ZONING MAP

CUP 16-00004

5134 Bailey Road

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MAY 2016
PLANNING DEPARTMENT

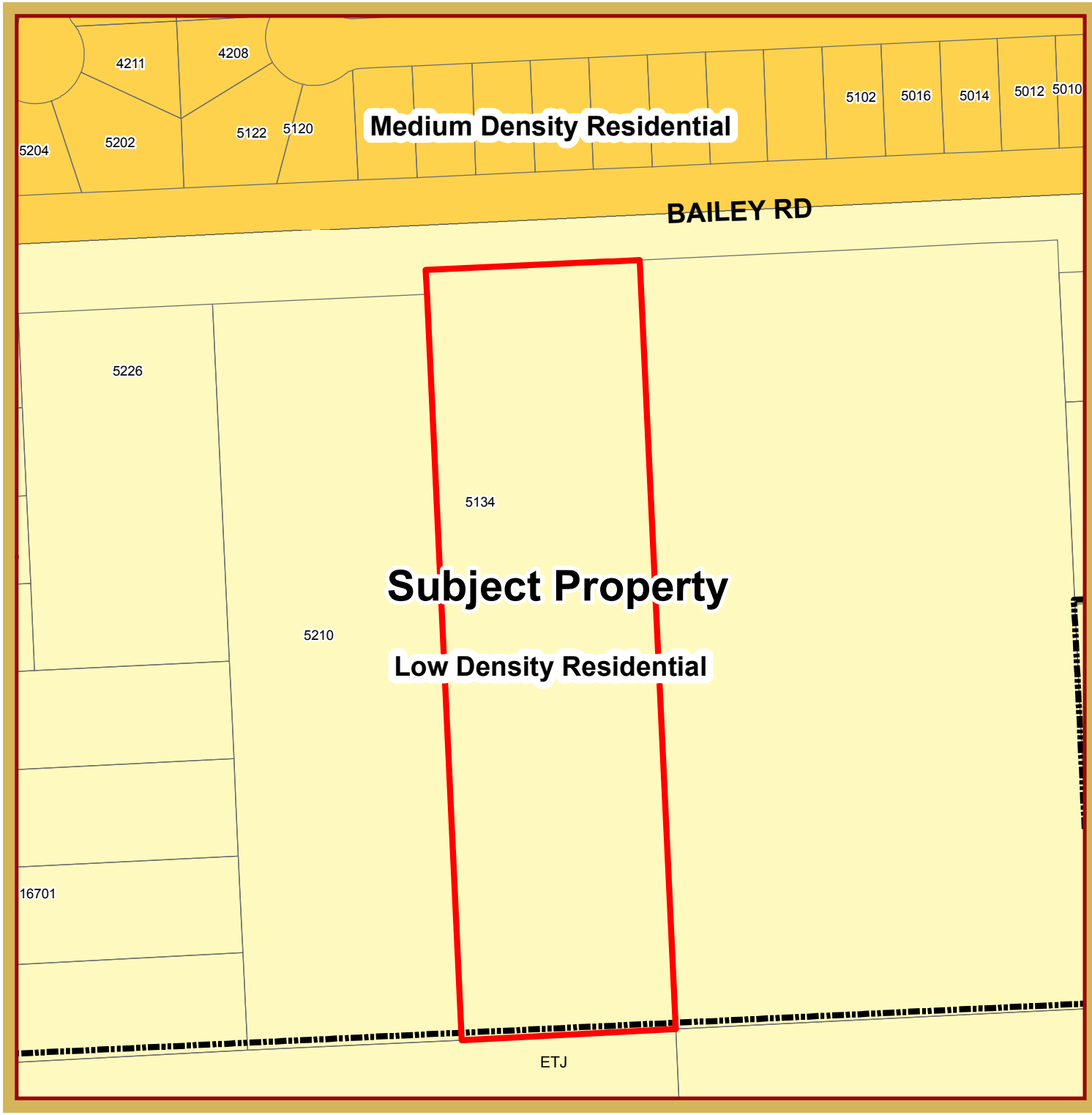

Exhibit 3

FLUP MAP

CUP 16-00004

5134 Bailey Road

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1 inch = 144 feet

MAY 2016
PLANNING DEPARTMENT

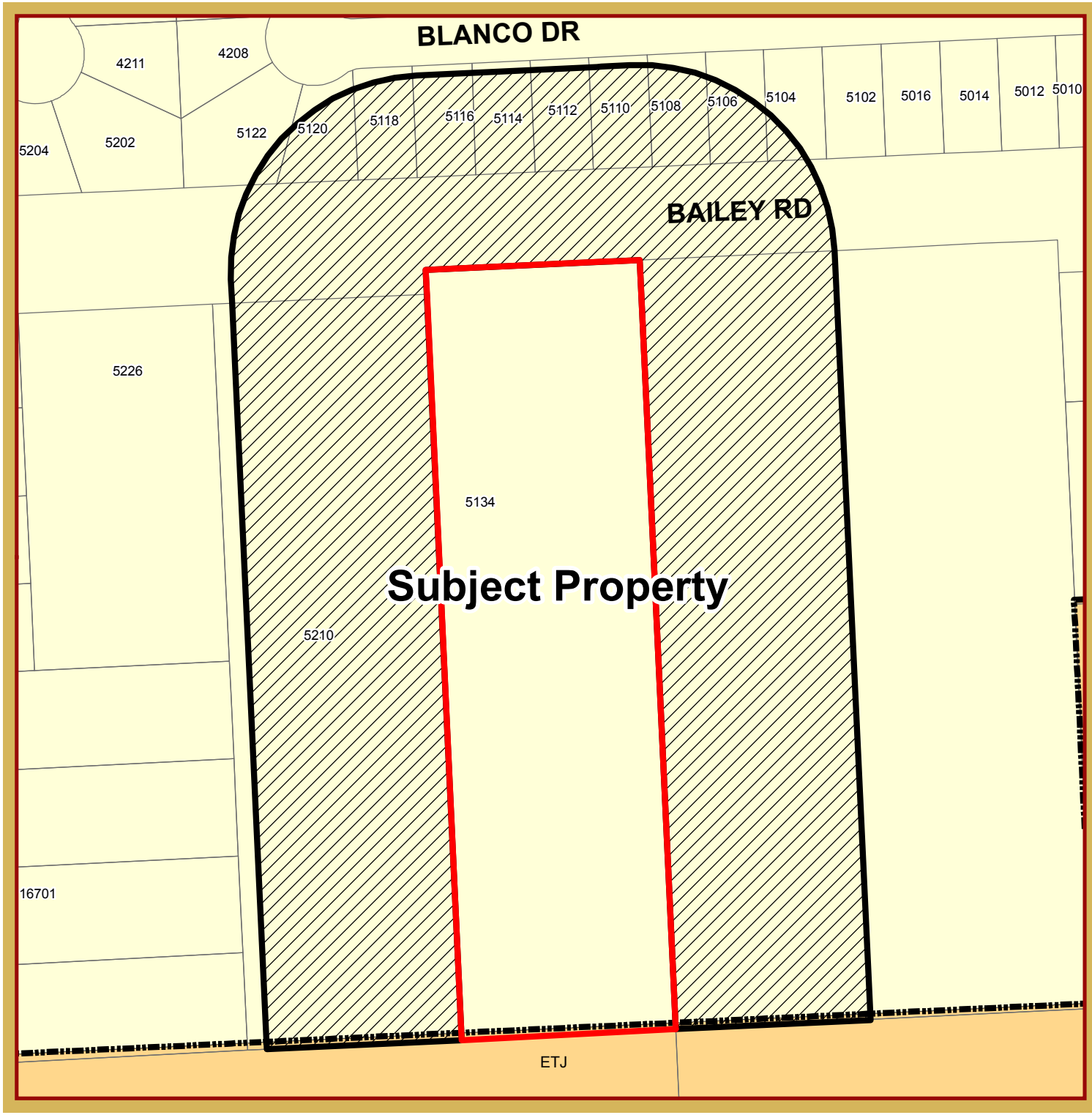

Exhibit 4

NOTIFICATION MAP

CUP 16-00004

5134 Bailey Road

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1 inch = 144 feet

MAY 2016
PLANNING DEPARTMENT

N

Exhibit 5
CUP 2016-00004
5134 Bailey Road

Property_Owner	Address	City	State	Zip_Code
ANDREWS NATHAN ZENE	5108 BLANCO DR	PEARLAND	TX	77584
BENNETT KALISHA J HUDSON	5110 BLANCO DR	PEARLAND	TX	77584
CARDER DARRELL JR & ANITA	5112 BLANCO DR	PEARLAND	TX	77584
CHILDS BEVERLY	**5134 BAILEY RD**	**PEARLAND**	**TX**	**77584**
DUHON TERESA	12646 BLACKSTONE RIVER DR	HUMBLE	TX	77346
ENGLISH BRYAN A	5104 BLANCO DR	PEARLAND	TX	77584
FRAZIER MICKEY & JOHN B	16801 BERRY RD	PEARLAND	TX	77584
GIROUARD JEFFREY L & KIMBERLY A	309 CHARLESTON ST	FRIENDSWOOD	TX	77546
IZAGUIRRE JAIME	5120 BLANCO DR	PEARLAND	TX	77584
KELLY SCOTT M	5106 BLANCO DR	PEARLAND	TX	77584
LONG RONNIE D & MARGARET E	5118 BLANCO DR	PEARLAND	TX	77584
MANN BEVERLY J	PO BOX 3054	PEARLAND	TX	77588
MILLS KEVIN & CHERIE	5122 BLANCO DR	PEARLAND	TX	77584
RUSSELL MICHAEL S	5116 BLANCO DR	PEARLAND	TX	77584

City of Pearland
Planning Department
Universal Application

City of Pearland
Community Development
3523 Liberty Drive
(Community Center)
Pearland, Texas 77581
281.652.1765
281.652.1702 (fax)
pearlandtx.gov

Please complete each field - incomplete applications will **not** be accepted.
Include the applicable checklist for each project type with this application.
Refer to the schedule on the City's website and/or within the Planning Department for deadlines and anticipated meeting dates for each project type.

TYPE OF APPLICATION:

- [x] Zoning Change (from) SD (to) OP
- [ ] Cluster Development Plan
- [ ] Planned Development Workshop
- [ ] Plat (list type)*: _____
- [ ] ZBA Variance
- [ ] P&Z Variance
- [ ] Special Exception
- [x] Conditional Use Permit

**Plat Types include: Minor, Amending, Preliminary, Final, Master, Replat*

PROJECT INFORMATION:

[ ] Residential [x] Commercial [ ] Property Platted [ ] Property Not Platted

Project Name: _____ Tax ID: _____

Project Address/Location: _____

Subdivision: _____ No. of Lots: _____ Total Acres: _____

Brief Description of Project: _____

When a completed application packet has been accepted and reviewed, additional information may be required by staff as a result of the review, therefore it may be necessary to postpone the proposed project and remove it from the scheduled agenda and place it on a future agenda according to Section 1.2.1.2 of the Unified Development Code.

PROPERTY OWNER INFORMATION:

Name: Beverly Childs
Address: 5134 Bailey Road
City: Pearland State: TX Zip: 77584
Phone: 281-489-7419
Fax: 281-489-3389
Email Address: msbhere@hotmail.com
placetogrow@aol.com

APPLICANT/AGENT INFORMATION:

Name: same
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____
Fax: _____
Email Address: _____

**Property owner must be the current owner of the property at the time of submittal of the application, and not the party that has the property under contract.
As owner and applicant, I hereby request approval of the above described request as provided for by the Unified Development Code of the City of Pearland.

**Owner's Signature: Beverly Childs Date: 5-16-16

Agent's/
Applicant's Signature: _____ Date: _____

OFFICE USE ONLY:

FEES PAID: —	DATE PAID: —	RECEIVED BY: FC	RECEIPT NUMBER: —

APPLICATION NUMBER: CUP-16-00004

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: July 11, 2016	**ITEM NO.:** Ordinance No. 1517-1
DATE SUBMITTED: June 28, 2016	**DEPT. OF ORIGIN: Planning**
PREPARED BY: Frankie Legaux	**PRESENTOR: Lata Krishnarao**
REVIEWED BY: Lata Krishnarao	**REVIEW DATE: June 30, 2016**
SUBJECT	An Ordinance of the City Council of the City of Pearland, Texas, amending the 2015 Comprehensive Plan to include the SH 35 Redevelopment Plan and act as a guide for regulating land use within the incorporated limits of Pearland; containing a savings clause, a severability clause and a repealer clause; and providing an effective date.
ATTACHMENTS:	**Ordinance No. 1517-1 and Exhibits (Exhibit A- SH 35 Corridor Redevelopment Strategy; Exhibit B – Legal Ad: Exhibit C – Planning and Zoning Recommendation Letter); Joint Public Hearing Packet (06.20.16)**
EXPENDITURE REQUIRED: N/A	**AMOUNT BUDGETED: N/A**
AMOUNT AVAILABLE: N/A	**PROJECT NO.: N/A**
ACCOUNT NO.: N/A	
ADDITIONAL APPROPRIATION REQUIRED: N/A	
ACCOUNT NO.: N/A	
PROJECT NO.: N/A	
To be completed by Department:	
Finance	**Legal** **Ordinance** **Resolution**

SUMMARY: This is a city-initiated request to amend the 2015 Comprehensive plan to incorporate the SH 35 Corridor Redevelopment Strategy. One of the main strategies outlined in the Pearland 20/20 Community Strategic Plan is to optimize the development potential of Pearland's principal commercial corridors that are the primary areas of our community's economic activity. SH 35, or Main Street, is one of the three major corridors addressed in the Strategic Plan.

Our Consultant Team, Ricker-Cunningham and Kimley-Horn, completed numerous interviews, facilitated focus groups, and led five steering committee meetings to gather information on existing conditions and develop a framework plan and catalyst concepts for proposed public and private investment along the corridor. Ricker-Cunningham then presented their findings at a public open house meeting on April 25, 2016.

The Redevelopment Strategy identifies five catalyst concept areas with development strategies for those areas. The intent of the development strategies identified for each of the catalyst concept areas is to leverage public and private investment through various means such as infrastructure or aesthetic improvements, despite the areas' challenges and barriers to redevelopment, and stimulate continued interest through its area of influence.

RECOMMEDATION: Staff recommends approval of the proposed amendment to the 2015 Comprehensive Plan.

One of the nine core strategies in the 2015 Comprehensive Plan, that incorporates the Pearland 20/20 Community Strategic Plan, was to "optimize the development potential of Pearland's Principal Corridors." Due to recent road improvements, SH 35 was singled out in Comprehensive Plan as one of the corridors that would benefit from a redevelopment plan. The SH 35 Redevelopment Strategy is intended to supplement existing zoning regulations that will foster economic development and urban revitalization by directing growth and development along the corridor.

PUBLIC NOTIFICATION: A Joint Public Hearing was conducted on June 20, 2016. A legal notice of the public hearing was published in the local newspaper.

At the Joint Public Hearing meeting, no one spoke in favor or opposition to the request.

PLANNING AND ZONING COMMISSION DISCUSSION: At the regular meeting of the P&Z Commission on June 20, 2016, P&Z Commissioner Starr made the motion to recommend approval of the proposed amendment to the 2015 Comprehensive Plan to include the SH 35 Redevelopment Plan, P&Z Vice-Chairperson Thomas Duncan seconded the motion. The motion passed by a vote of 5-0. Commissioners in attendance at the meeting were: Chairperson Daniel Tunstall, Vice-Chairperson Thomas Duncan, Derrell Isenberg, Troy Pradia, and Mary Starr.

ORDINANCE NO. 1517-1

An Ordinance of the City Council of the City of Pearland, Texas, amending the 2015 Comprehensive Plan to include the SH 35 Redevelopment Plan and act as a guide for regulating land use within the incorporated limits of Pearland; containing a savings clause, a severability clause and a repealer clause; and providing an effective date.

WHEREAS, Local Government Code §211.004 requires a municipality desiring to regulate the use of land within its corporate limits to adopt a comprehensive plan for future development; and

WHEREAS, the City Council desires to set goals, objectives, policies, and criteria for Pearland's physical growth; and

WHEREAS, it is within the context of the Comprehensive Plan that zoning ordinances and other development regulations are enacted and have legal standing; and

WHEREAS, a public hearing was held on June 20, 2016, to provide citizen input regarding the proposed amendment to the 2015 Comprehensive Plan; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That City Council hereby adopts the SH 35 Comprehensive Plan amendment attached hereto as Exhibit "A" as a guide for regulating land use within the incorporated limits of the City.

Section 2. Savings. All rights and remedies which have accrued in favor of the City under this Ordinance shall be and are preserved for the benefit of the City.

Section 3. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

ORDINANCE NO. 1517-1

Section 4. Repealer. City of Pearland Ordinance No. 943 and all subsequent amendments thereto are hereby repealed.

Section 5. Effective Date. The Ordinance shall become effective immediately upon approval of its second and final reading.

PASSED and APPROVED ON FIRST READING this the _____ day of _____, A. D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING
CITY SECRETARY

PASSED and APPROVED ON SECOND AND FINAL READING this the _____ day of _____, A. D., 2016.

_____
TOM REID
MAYOR

ORDINANCE NO. 1517-1

ATTEST:

_____
YOUNG LORFING
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

EXHIBIT A

SH 35 Corridor Redevelopment Strategy

June 2016

Prepared for:

PEARLAND
ECONOMIC DEVELOPMENT CORPORATION

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Acknowledgements

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Lucy Stevener	Vice-Chair
Brandon Dansby	Secretary
Jeff Barry	Board Member
Mona Chavarria	Board Member
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Reid Wendell	Board Member

SH 35 Redevelopment Strategy Advisory Committee Members

John Loessin, Owner	Ace Hardware
Lata Krishnarao, Director	City of Pearland Community Development
Carol Artz-Bucek, President / CEO	Pearland Chamber of Commerce
Manhar Daz, General Manager	Best Western
Dr. Elizabeth Smith, Owner	Pearland Vision Center
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Matt Buchanan, President	PEDC

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Executive Summary

During the first quarter of 2014, Ricker|Cunningham (RC), Real Estate Economists and Community Strategists, together with the Land and Transportation Planning Division of Kimley-Horn (collectively the Consultant Team), were retained by the Pearland Economic Development Corporation (PEDC) to assist with preparation of this State Highway (SH) 35 Corridor Redevelopment Strategy. Redevelopment of the city's principal commercial corridors, including the SH 35 Corridor / Main Street was identified as one of nine key initiatives in the Pearland 20/20: A Blueprint for Pearland, Texas, an economic development strategy adopted by the City and PEDC Board in October 2012. Their repositioning was also acknowledged as a priority action in the City's recently updated Comprehensive Plan. In the context of the SH 35 Corridor, an additional objective was "articulation of a plan and program for implementation that would most effectively leverage recently completed TxDOT improvements within the public right-of-way."

Study Area (Boundaries)

The portion of the SH 35 Corridor which was the subject of this effort generally extends 7.2 miles from Clear Creek on the north, to approximately Hastings Cannon Road on the south, locations that correspond with the city's northern and southern municipal boundaries. Among the 540 properties and 2,600 acres which comprise the Study Area, most are located contiguous to the Main Street Corridor along its eastern and western edges. Another significant concentration is found within the Old Townsite District. Major roadways, some of which provide connections to points east and west within and beyond the city limits include: McHard Road, Orange Street, FM 518 / Broadway Street, Walnut Street, Magnolia Street / John Lizer Road, Bailey Road/Oiler Drive, and Dixie Farm Road, bisect the Study Area.

Participation and Input

In addition to technical analyses, a variety of venues provided opportunities for stakeholders and the community at-large to offer input regarding a vision for the SH 35 Corridor. These included focus groups and one-on-one meetings with business and property owners, lenders and developers; and, an open house where a framework for public improvements and an overview of supportable catalyst concepts were profiled. Overseeing the entire strategy process was an Advisory Committee of representatives from various private, public and institutional entities. As specialists in their respective fields and familiarity with the Corridor and community at-large, their input and participation was considered essential for the success of the project.

Shared goals among the participants included a desire for an enhanced physical realm, stronger vehicular and non- vehicular connections and accommodations (bicycle and

pedestrian); and, a climate for investment considered favorable by business owners and operators. Many identified the need for a more diverse and supportive mix of businesses, and more attention to the condition of the properties by their owners.

Existing Conditions

The Study Area and its existing pattern of development, while not atypical of other established corridors in communities located on the periphery of a major metropolitan area, possesses conditions, both visible and non-visible, which can influence investment decisions. Among the most pervasive are those related to deficient infrastructure, existence of waterways, and presence of natural resource extraction facilities. Capital improvements, onsite and offsite, that will be necessary to either eliminate or mitigate the physical challenges present include: stronger connections, both vehicular and non-vehicular; new and relocated utility lines; public and open spaces and landscaping; and, other enhancements that will promote greater contiguity in the character and quality of its built environment.

Market Overview

Market analyses associated with an area-wide strategic planning assignment such as this one are essential whereas they serve to provide a “reality check” for conceptual development recommendations; and an independent “story” to tell potential investor audiences.

The vision for a redeveloped SH 35 Corridor is a business park environment with business and industry being the dominate land uses, and commercial retail and restaurants and possibly institutional facilities, secondary uses. Based on the investigation of market conditions completed for this effort, the Study Area is well-positioned to compete for market share among these product types, with attainable market share ranging from 2% to 25%. While actual investment levels will be dictated by numerous factors including: the physical capacity of the area to accommodate development; desire of property owners to invest, reinvest or reposition their parcels to advance the objectives stated herein; and, effectiveness of PEDC and the City to “ready the environment for investment." and commit, long-term, to the stated objectives explained herein.

Framework Plan and Catalyst Concepts

Acknowledging that it will take many years and multiple actions by a host of advocates to realize a redeveloped SH 35 Corridor; the experience of other communities that have successfully advanced similar initiatives has shown that the strategic approach needs to include area-wide and project-specific recommendation. To this end, the SH 35 Corridor Framework Plan identifies the location of proposed public improvements and boundaries of districts where

certain land uses will be encouraged to locate. Proposed amenities and enhancements to the public realm include those that will unify uses, connect centers of activity, and improve its aesthetic appeal. Projects with the potential to both demonstrate support within the market for untested product types, and catalyze private investment, include both capital expenditures and private developments. Among the five project concepts identified, they offer either near-term development potential, or the ability to mitigate adverse conditions. Each one and their purpose is described as follows.

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Purpose: Offer a business location for office and industrial users seeking a high quality setting offering supportive infrastructure and amenities and access to points north and south of Pearland and Houston Metropolitan Area.

Catalyst No. 2 - Business Park North

Purpose: "Ready" or position properties (both private and public) for investment by completing due diligence research efforts on behalf of private sector property owners by identifying and eliminating barriers to investment, and streamlining the timeframe between site acquisition and / or completion of vertical improvements.

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination and 3b. Main Street Buildings and Urban Environment

Purpose: Establish a destination for residents and visitors with commercial venues unique to the area and its "gritty character" and compatible with existing uses that correspondingly provide an environment to incubate local businesses and grow Old Town's dining and shopping offerings.

Catalyst No. 4 - 4a. Old Town Esplanade and 4b. New Community on former Alvin Community College Campus

Purpose: Introduce pedestrian and streetscape improvements which solidify Old Town as a destination for residents and visitors, balancing vehicular and non-vehicular movement, connecting existing and future centers of activity, and catalyzing property investment and reinvestment.

Catalyst No. 5 - Business Park South

Purpose: Offer an alternative to the northern segment of the Corridor for business and industry seeking a highly amenitized environment with expansion opportunities and proximity to regional north-south transportation corridors and points south of the Houston Metropolitan Area.

The strategic approach for revitalizing the SH 35 Corridor is based on proof that *private investment follows public commitment.* Therefore, a primary objective is to “leverage” community resources, amenities and improvements, in an effort to encourage

private development. While the public sector lead rarely realizes a favorable return on their investment during the early phases of the redevelopment program, most if not all do over the mid- to long-term. Collectively, the catalyst concepts have the potential to generate over $240 million in new private investment, and require less than $8 million in public investment, for an overall public : private return on investment of 30: to 40:1 ($30 to $40 spent by the private sector for every $1 spent by the public sector).

Implementation

The strategy for promoting development and redevelopment within the SH 35 Corridor is based on an awareness of existing conditions desired outcomes, and market realities. Its major components include a Vision, Guiding Principles for decision-making, and Development Approach to positioning the Area for investment. A fourth component, Actions to eliminate obstacles and capitalize on opportunities, are provided in the full report.

Vision

The recommended vision for revitalization of the SH35 Corridor Study Area is ... *a high quality and consistently-designed employment and business environment with compatible land uses and supportive amenities. It will be the community's principal center for new and expanding industries with less impactful operations concentrated in its northern segment. Commercial businesses will primarily be those that support the daytime needs of employers and their employees such as restaurants, supply stores, and maintenance facilities. Larger format commercial businesses will be encouraged to locate near the Corridor's core, where there is already an established base. Along the southern edge of the central segment, the Old Townsite will include a broad mix of product types within a limited number of land use categories, primarily residential, commercial retail and office. Once the community's first district for commerce and industry, new investment will leverage established residential neighborhoods, mature vegetation, and a gridded street system. Uses will build on what is already there, attracting both residents and visitors, and extending their stay. Public improvements will include spaces to host community events while also connecting various activity areas. Early development and redevelopment projects will be encouraged to include both public enhancements and private uses that may, or may not as yet, be tested in the local market, as demonstrations of what is envisioned over the near- and long-term.*

While this SH 35 Corridor Redevelopment Strategy is intended to inform and guide future growth in the Study Area over the near- and long-term, it is a policy, not regulating document. Therefore, the only way to protect the expressed vision and advance the desired improvements, is to ensure alignment among relevant City regulatory resources over the long-term; and provide guidance that fosters sound decision-making by the City's leaders over the near-term. Information to assist public officials is presented here as guiding principles. *Guiding Principles* are defined as "representing a

broad philosophy that guides the organization throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management filter for decisions at all levels of the organization." Each one, presented below, while general in nature, is intended to reflect existing challenges, potential opportunities; and, input from experts in the fields of finance, development, business, and industry.

Guiding Principles

1. The City will maintain a proactive and sustained attitude towards redevelopment that is consistent with the vision for the Corridor.
2. The community's vision for the Corridor will be reflected in supporting policies and regulations.
3. Industrial and commercial land uses will be encouraged in appropriate locations so as to maintain the desired character of each segment of the Corridor.
4. Development standards will be appropriate for the expressed vision and catalyzing concepts within the various segments of the Corridor.
5. Property owners will be provided with knowledge and analyses (due diligence) resulting from this process in an effort to encourage desired investment.
6. Capital projects will be phased to encourage new investment, first, and improve conditions for existing uses, second.
7. Enhancements to public spaces will be consistent with the vision for an employment center environment and include new and replacement projects despite the age and condition of existing improvements.
8. Policy, vision and regulatory documents superseded by the objectives expressed in this SH 35 Corridor Redevelopment Strategy will be updated and in the interim variances afforded for select projects deemed consistent with the objectives stated therein.

Development Approach

Any approach by a public entity to encouraging investment in a defined geography should cultivate streamlining the delivery of both capital improvements, and either development-ready or unimproved sites, to the market. To this end, the approach for redeveloping the SH 35 Corridor involves public participation in two arenas -- the Study Area as a whole and distinct projects with an opportunity to realize near-term investment.

The approach here assumes PEDC, together with the City, will act as the master developer of improvements in the Study Area, and as such will lead the financing and contraction of off-site infrastructure and enhancements, as well as assist with select on-site improvements, particularly those completed in an effort to better position key parcels for investment and expedite building construction.

As the City's lead agency for industry attraction, PEDC will provide oversight and act as the lead on development requests, and use its resources to fund infrastructure and utility improvements; while the City will lead enforcement of regulations. As the entity with the largest and longest-term interest in the area, and the City's agent for advancing economic initiatives, PEDC should consider, if resources are available, early and ongoing acquisition of property a priority, particularly given the numerous advantages for the private sector when acquiring property from public and non-profit entities, among them -- lower carrying costs, less uncertainty regarding entitlements, and, the potential for monetary incentives.

Financing mechanisms used to fund improvements in the Corridor should include a range of resources, used individually and in different combinations. Possible sources include: grant and bond revenues, low or no interest loans, future district revenues, and existing economic development program dollars. Additional sources could include: bank, state and federal matching funds, municipal resources, private fees and incremental tax dollars. Capital improvements, delivered by the public sector, that make an area attractive for development and stabilize the investment climate, should be considered an economic contribution with monetary value, whereas they have the potential to close a financial gap. Matching economic development incentives to direct investments in the physical environment, and indirect contributions to the fiscal concerns, are frequently the most successful approach.

As the organizational entity that will assume responsibility for the revitalization effort; and, be the one to maintain development oversight; as well as, fund, finance and negotiate development agreements and leases; PEDC should also be the one to manage and market properties, either together with or on behalf of property owners. Additional support should be provided by representative governments, advocacy entities and regional economic development organizations. Further, a carefully designed and consistently administered marketing program should be an early actionable item. Individuals and organizations that support and promote investment, along with local officials and business associations, need to coordinate their marketing efforts. Ideally, the City and PEDC, will establish common goals and objectives, along with consistent policies, and whenever possible, share and leverage resources. When private interests request assistance with marketing their properties to developers or other users (either on their behalf or in partnership), various approaches should be considered including: issuing developer requests, retaining brokers, and attaching these parcels to other community-wide efforts to attract business and industry to the local market.

In addition to supporting PEDC, the City's principal role in this revitalization effort will be to align and enforce all relevant policy and regulating resources with the expressed vision and objectives for the Corridor. In this context, the City will be expected to establish standards of development that will effectively minimize private sector investment risk by ensuring a consistent and quality building environment. The experience of many, if not most,

communities involved in similar initiatives has shown that while a higher standard of development must be established in areas targeted for reinvestment, they should be appropriate for the desired uses and reflect intended outcomes. In addition, if during the early phases of the redevelopment effort, these standards have a financial impact that renders a desirable project infeasible, the lead entity should consider providing resources to fill any resulting economic "gap." During its later phases, it is highly likely that market conditions will have reached a state of equilibrium wherein project revenues should be sufficient to cover this type of project cost.

Conclusion

The SH 35 Corridor, with its mix of both new and established businesses and industries, is a formidable economic engine, that's contribution to the community could be diminished without adequate attention and resources. The success of this effort will depend on the delivery of a high-quality, consistently operated and maintained business environment, devoid of obstacles, and supported by sustained public support. To this end, the SH 35 Corridor Redevelopment Strategy is intended to inform how the resources of both PEDC and the City are prioritized to ensure that its redevelopment is accomplished, while balancing private and community investment objectives.

Whereas the Study Area has many property owners, and each one maintains individual entitlements, achieving an appropriate balance of uses will be highly dependent on the partner entities' efforts and their willingness and ability to employ a combination of policies, incentives and regulations to inform and guide investment. Beyond its uses, successful development of the Study Area will depend on a commitment to quality over quantity as reflected in a unified program of signs, gathering places, and landscaped features; appropriate transitions between uses; access to, yet preservation of natural amenities; and, improvements of a suitable scale.

Experience has shown that publically-initiated redevelopment efforts such as this one, are accomplished in multiple phases, and usually over several years. The authors of this report expect the same for the Study Area, however, based on PEDC's past performance, it is highly likely that the recommendations outlined here, will be completed more quickly than anticipated. This statement is supported by the record of accomplishments completed by the PEDC, both prior to and following adoption of the 20/20 Blueprint Plan.

Section 1:

Introduction

During the first quarter of 2014, Ricker|Cunningham (RC), Real Estate Economists and Community Strategists, together with the Land and Transportation Planning Division of Kimley-Horn (collectively the Consultant Team), were retained by the Pearland Economic Development Corporation (PEDC) to assist with preparation of this State Highway (SH) 35 Corridor Redevelopment Strategy (*also referred to as* - this SH 35 Corridor Strategy, Redevelopment Strategy and Strategy). Redevelopment of the city's principal commercial corridors, including the SH 35 Corridor (*also referred to* as - the Corridor, and Study Area) was identified as one of nine key initiatives in the Pearland 20/20: A Blueprint for Pearland, Texas (*also referred to as* - the 20/20 Strategic Plan, and 20/20 Plan), an economic development strategy adopted by the PEDC Board in October 2012. The 20/20 Strategic Plan was commissioned by PEDC, together with local partners in government, education, healthcare and business, for the purpose of "establishing a shared vision for the community's future growth and an action plan to achieve it."

PEDC and Pearland 20/20: A Blueprint for Pearland, TX

As explained in the City of Pearland Comprehensive Plan (2004), "The PEDC was created by the City of Pearland in 1995, to promote the Pearland area for business expansion and relocation. The PEDC is a non-profit corporation, supported by a voter approved 1/2 cent sales tax that operates as a department of the City. It is staffed by City employees and managed by a Board of Directors who together create and implement programs to aid in the economic development of the community."

The specific initiative and strategic actions that this SH 35 Corridor Redevelopment Strategy advances are presented as follows:

> **Key Initiative No. 3.0 Optimize the development potential of Pearland's principal commercial corridors.** Pearland has three primary corridors – SH 288, FM 518/Broadway, and SH 35 – all of which have the potential to support additional business and pedestrian activity. Grand Boulevard in the Old Townsite also has transformational potential. However, while pockets of quality development have occurred, the overall look and feel of these corridors is being held back by areas that do not reflect community standards. Such dynamics can inhibit investment appeal to companies considering relocation. Positioning these corridors to support catalytic development will be a high priority as Pearland continues

to mature and build its stock of primary jobs.

Strategic Action - Leverage recent road improvements to create a SH 35 Redevelopment (Plan) Strategy.

Strategic Action - Formalize a process, toolkit and priorities for redeveloping aging Pearland neighborhoods and character districts.

City of Pearland and 2015 Comprehensive Plan

In addition to furthering recommendations presented in the 20/20 Plan, this SH 35 Redevelopment Strategy could also move forward priority action tasks identified in the 2015 Comprehensive Plan, as long as they are revised to reflect objectives for the Study Area which are defined in greater detail in subsequent sections of this document. Those priorities include the following:

Growth Capacity and Infrastructure

Strategic Priority 1: Cost of Growth / Land Use Study – understand the fiscal implications for City government of how remaining developable land in Pearland's city limits and Extraterritorial Jurisdiction (ETJ)

Strategic Priority 2: Regular Updating of Utility Master Plans – regularly update of the three key utility infrastructure master plans – water, wastewater and storm drainage – especially during periods of rapid land development activity

Mobility

Strategic Priority 2: Targeted Capital Projects – provide ongoing investment in street and highway construction, extensions and upgrades will remain a prime focus of municipal government

Strategic Priority 3: Sidewalk Network Upgrades – provide needed sidewalk improvements (in and around neighborhoods), to encourage walking and facilitate a safe walking environment

Housing and Neighborhoods

Strategic Priority 1: Greater Housing Variety – focus on diverse housing types and mixed-use development on various special districts within Pearland, (e.g., Old Townsite); consider a "flex" district overlay which allows for a series of residential development options and lot sizes

Strategic Priority 2: Regulatory Relief for Redevelopment – consider adding new or adjusting current Unified Development

Code (UDC) provisions that allow for relation of specified standards, especially to make a clearer connections to the community objective of encouraging desire redevelopment activity (e.g., Old Townsite)

Strategic Priority 3: Expanded Focus on Neighborhoods – explore options, and research models for neighborhood planning and an associated coordination of services

Section five of the Comprehensive Plan defines the City's intentions with regard to maintaining and growing its economic development infrastructure. In the context of that discussion, there are numerous references to the 20/20 Blueprint Plan, including a "next level" of action steps under the original nine core strategic actions. Those that most closely align with recommendations for a revitalized SH 35 Corridor include actions which will leverage recent TxDOT road improvements, and beautify public spaces and gateways.

Experience has shown that publically-initiated redevelopment efforts such as this one, are accomplished in multiple phases, and usually over several years. The authors of this report expect the same for the Study Area, however, based on PEDC's past performance, it is highly likely that the recommendations outlined here, will be completed more quickly than anticipated. This statement is supported by the record of accomplishments completed by the PEDC, both prior to and following adoption of the 20/20 Blueprint Plan, which is presented in **Appendix A**.

Purpose

The purpose of this Redevelopment Strategy, as defined in PEDC's request for services, was to "*provide a market-based plan and implementation strategy for revitalization of the SH 35 Corridor/Main Street that would advance the expressed vision (in the 20/20 Plan) and leverage recent TxDOT streetscape improvements.*" As presented above, this purpose statement reflects Strategic Actions, of Key Initiative 3.0, of the 20/20 Blueprint Plan.

Approach and Methodology

The scope of work for this assignment included detailed analyses of: conditions that could impact investment decisions (public and private); local and regional real estate markets and industry trends; existing physical conditions; policy and regulatory documents that will inform design and development patterns; and, planned initiatives and available resources. These quantifiable analyses were supplemented by qualitative discussions with a range of stakeholder audiences, identified below. Major components of the proposed strategy for furthering the proposed strategy for furthering the vision and

objectives identified here include: priority publically- and privately-funded physical enhancements; market-supported concepts including a range of uses and product types with the potential to catalyze development and redevelopment activity; and, strategies to overcome obstacles to, and capitalize on opportunities for, investment. Note: A *catalyst concept,* in the context of this Strategic Plan, is defined as *a development and / or redevelopment program with the potential to have a positive economic ripple effect on properties within an area of influence*. Further, while some of the concepts are area-specific, addressing an existing condition or circumstance, others are non- area-specific, therefore offering the potential for multiple applications within the Corridor. An approach to advance each one is provided in the larger implementation discussion presented in the final section of this report.

Study Area (Boundaries)

That portion of the SH 35 Corridor which is the subject of this analysis generally extends 7.2 miles from Clear Creek or the Pearland municipal boundaries on the north, to its municipal boundaries on the south, or approximately Hastings Cannon Road. Properties within the Area include those located contiguous to the highway along its eastern and western edges, as well as a significant portion of the Old Townsite District. SH 35/Main Street is one of the city's original north-south roadways and a significant entryway into the community. It is bisected by several east-west thoroughfares including McHard Road, Orange Street, FM 518/Broadway Street, Walnut Street, Magnolia Street/John Lizer Road and Bailey Road/Oiler Drive. FM 518/ Broadway Street connects uses in the Corridor to SH 288, a north-south limited-access highway located in the western portion of the city. Dixie Farm Road, which runs perpendicular to the SH 35 roadway along its eastern edge and located south of Bailey Road/Oiler Drive, connects uses in the Corridor to Interstate 45 (I-45) located in the eastern portion of the city. A variety of land uses and businesses are located within the Study Area, the dominant ones being light and heavy industrial in its northern and southern segments, and commercial uses at its core. While the vision for a redeveloped SH 35 Corridor does not deviate significantly from its current land use pattern, it does encourage concentrating compatible uses, and complementing primary uses with secondary uses, distinct subareas or districts.

Participation and Input

As noted above, a variety of venues were provided throughout the 15-month strategy process for stakeholders to review and consider the project findings and final recommendations. A description of each one is presented as follows.

Advisory Committee

A committee of representatives from various private, public, and institutional entities, were invited to serve as advisors to the Consultant Team. As specialists in their respective fields and familiarity with the Corridor and community at-large, their input and participation was considered essential for the success of the project. Advisory Committee members include:

Members (listed here) met six times between October 2014 and May 2015 to provide feedback and guidance on project-related issues. In addition, they served as channels of communication between the strategy team and organizations they represent.

Committee Members

Matt Buchanan	President, PEDC
Lata Krishnarao	Director, City of Pearland - Community Development
Tom Alexander	Owner, TA Properties
Alan Mueller	VP, Gromax Development
John Loessin	Owner, Ace Hardware
Carol Artz-Bucek	President / CEO, Pearland Chamber of Commerce
Manhar Das	General Manager, Best Western
Dr. Elizabeth Smith	Owner, Pearland Vision Center
Brandon Dansby	Board of Directors, PEDC Sr. Vice President CRA Officer Pearland State Bank
Gary Idoux	Board of Directors, PEDC President, Capital Bank
Mark Ingram	Director of Traffic Engineering, Cobb, Fendley and Associates, Inc.
Keith Ordeneaux	Pearland City Council, Pearland ISD

Open House

An open house was conducted prior to presentation of the final strategy document to City of Pearland appointed and elected officials. Meeting notices were sent to all property and business interests in the Study Area, as well as members of the Advisory Committee and other boards and commissions. In addition, a general notice was posted on PEDC's website. During this forum, potential investment and reinvestment concepts were presented and input solicited regarding their local application given the current political and business climate.

Focus Group Meetings

Several focus groups meetings were facilitated by members of the Consultant Team during an early phase of the strategy process. Participants were identified from groups including: institutions, business owners - commercial and industrial, property owners, and lenders (public and private). Each group was comprised of 12 to 15 people, and discussions focused on opportunities and challenges to investment in the Study Area and community at-large. The meetings were held at PEDC's offices, but facilitated by Consultant Team members so that individual responses remained confidential.

One-On-One Interviews

In addition to the focus groups, Consultant Team members conducted confidential in-person and telephone interviews with property owners and developers regarding past and ongoing efforts to invest in the Study Area and community at-large. The purpose of these discussions was to understand past challenges, as well as share market knowledge while exploring potential development partnerships. The interviewees (listed below) were identified by representatives of PEDC.

Participants

Jerry Koza	Profax
Mark Ring	Kemlon Products
Edward Ferguson	Wal-Mart
Paul Grohman	Gromax Development
Alan Mueller	Gromax Development
David Miller	PEDC
Stephan Robinson	Ardent-Hardcastle Commercial Real Estate
Renee McGuire	R West Development
David Miller	Prudential Premier Properties

Client and Consultant Team Calls

Project Team calls were conducted periodically throughout the strategy process so that its progress could be monitored, and information about on-going occurrences in the community (planned and proposed projects) could be shared. Representatives of PEDC hosted the calls, while members of the Consultant Team provided the agenda and its content.

City Leadership Updates and Other Presentations

Presentations were made by representatives of PEDC and members of the Advisory Committee, throughout the assignment, to select boards and commissions. Some of these groups included:

- 20/20 Strategic Plan Committee Meeting
- PEDC Board Meeting
- Pearland Planning and Zoning Commission
- Pearland City Council

Summary of Input

Within all of these forums, comments received tended to fall within the following broad categories: recently completed TxDOT roadway improvements, patterns of growth within the city, the Corridor's business climate, physical conditions, and opportunities for improvement and investment. Frustration was widely expressed regarding a "lack of connection" between, and to, businesses within its boundaries. Some industrial operators expressed concern with the number of residential developments that had either been approved, or were developing in locations with the potential to experience impacts from business operations in the Corridor.

Comments associated with what they referred to as the "protracted TxDOT improvement project" were primarily offered by commercial operators located in the central portion of the Study Area. Note: This assignment started shortly after TxDOT completed the first phase of its SH 35 roadway improvement project.

Universal goals for the Study Area included: capital improvements to the physical realm; stronger vehicular and non-vehicular connections and accommodations (bicycle and pedestrian); and, a favorable climate for investment. Stakeholders expressed that while SH 35 is a locally recognized "business address," it does not have the regional recognition that it could if efforts were made to establish a cohesive physical, regulatory, and marketing program that could be promoted throughout the Houston Metropolitan Area. Other goals included -- more efficient use of land, supportive and more diverse mix of businesses, and heightened attention to maintenance of sites and buildings. Finally, participants expressed appreciation for this and other efforts, by PEDC and the City, to improve conditions while maintaining a supportive environment for business and industry. Specific comments received are presented in **Appendix B** of this document.

Past Efforts

Reports and analyses prepared prior to this assignment, many of which served as a foundation for this effort, include those listed below, in the order they were completed. Note: Recommendations regarding amendments that would eliminate discrepancies, and correspondingly align the objectives of these documents and this Strategy, are presented in **Appendix C**. Regardless, PEDC and City Staff should determine if amendments to some, or all of these documents, will further the goals and objectives stated herein related to redevelopment of the SH 35 Corridor.

- City of Pearland 2015 Comprehensive Plan
- Parks and Recreation Master, 2015
- Beautification Strategy: City Gateways, 2014

- Pearland 20 / 20: A Blueprint for Pearland (Pearland 20/20 Strategic Plan), 2012, 2013
- Pearland Development Handbook
- Pearland Parks Master Plan, 2012
- Grand Boulevard Old Townsite Masterplan, 2011
- City of Pearland Capital Projects (CIP)
- Pearland Public Facility Study Final Report, 2009
- Old Town / Public Facility Study (SPPRE), 2009
- SH 35 Major Corridor Feasibility Study (MCFS), 2007
- Pearland Old Town Pedestrian Plan, 2006
- Old Townsite Downtown Development District Plan, 2005
- Pearland, Texas - Code of Ordinance (Municipal Code)

Report Format

This SH 35 Corridor Redevelopment Strategy is divided into the following five sections: Introduction, Existing Conditions, Market Overview, Framework Plan and Catalyst Concepts, and Implementation. Each section includes: data, analyses, and recommendations, all of which may be used to promote the community and Corridor to businesses, industries and development prospects.

Conclusion

This SH 35 Redevelopment Strategy has been prepared to -- confirm the vision expressed in the Pearland 20/20 Strategic Plan, inform expenditures on capital improvements (both functional and aesthetic), demonstrate the economic benefit and feasibility of catalyst development projects; and, clarify the roles and responsibilities of both public and private sector individuals and entities who will advance the strategic recommendations identified herein. As both a planning and strategic document, it is intended to provide the PEDC, in partnership with the City and various property and business interests, with information to focus and prioritize their development resources and efforts.

The ability of the SH 35 Corridor to capture a fair share of future investment in the city will be based not only on continued growth in the region, but on the community's willingness to commit, long- term, to the stated objectives explained herein. While somewhat specific in its description of a preferred vision for the Corridor and supporting physical improvements, it is also intended to be flexible enough to respond to market conditions that will inevitably change over the course of its implementation. Ideally, it will be used as a guide for land use decisions, and reference for policies and regulations.

Section 2:

Existing Conditions (Study Area)

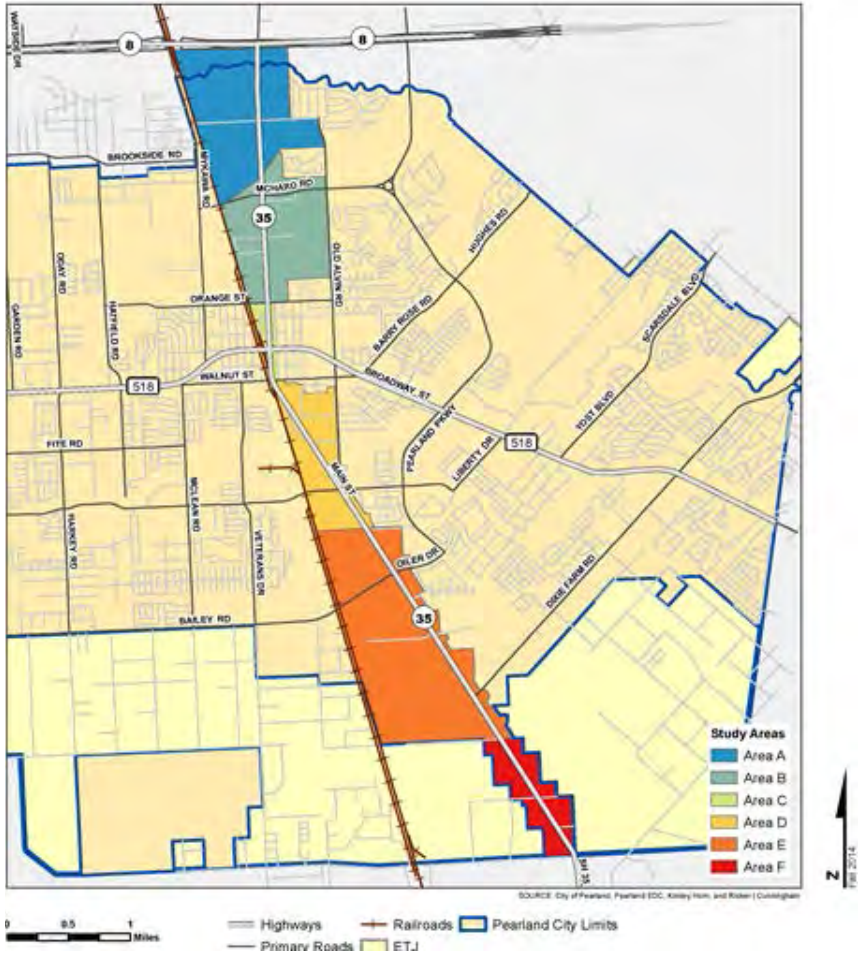
Planning for the redevelopment of communities and markets within them requires an understanding of key conditions, both visible and non-visible, all of which can influence development decisions. The discussion which follows provides an overview of those conditions that individually, and collectively, offer an indication of how "ready" the Study Area is for new investment and reinvestment.

Area and Segment Details

The boundaries of the SH 35 Study Area are generally the Pearland municipal boundaries or Clear Creek on the north, Burlington Northern Santa Fe (BNSF) rail lines on the west, Pearland-Alvin city boundaries on the south, and eastern extent of parcels located contiguous to the Corridor's eastern edge. It is approximately seven miles in length and maintains more than 540 properties within its boundaries, comprising more than 2,600 acres. Located within the Pearland city limits and Brazoria County, it is situated in the southcentral portion of the Greater Houston Metropolitan Area. As explained in the previous section, several major roadways bisect the highway within the Study Area boundaries including: McHard Road, Orange Street, FM 518/Broadway Street, Walnut Street, Magnolia Street/John Lizer Road, Bailey Road/Oiler Drive, and Dixie Farm Road.

Given its length and size, it was determined that the most efficient approach for analyzing conditions within the Corridor was by grouping parcels into six segments (A - F), and then reporting the findings at a segment-by-segment, rather than parcel-by-parcel level. Based on knowledge gained through completion of the work described in this section, it became obvious that there are actually three fairly obvious segments, or subareas. In the analyses presented in the following sections of this Strategy, locations within the Study Area are referred to as the northern, central and southern subareas. An illustration of the boundaries of the original six segments is presented as **Figure 2-1**.

Figure 2-1: SH 35 Study Area Boundaries and Segments



Conditions analyzed and described in the discussion which follows include:

- Physical Conditions
- Utilities and Pipelines
- Roadways and Railways
- Bikeways and Trailways
- Natural Resource Extraction Facilities
- Hazardous Contaminants
- School Districts
- Parks and Open Space
- Zoning
- Existing Land Uses
- Future Land Uses
- Parcel Characteristics

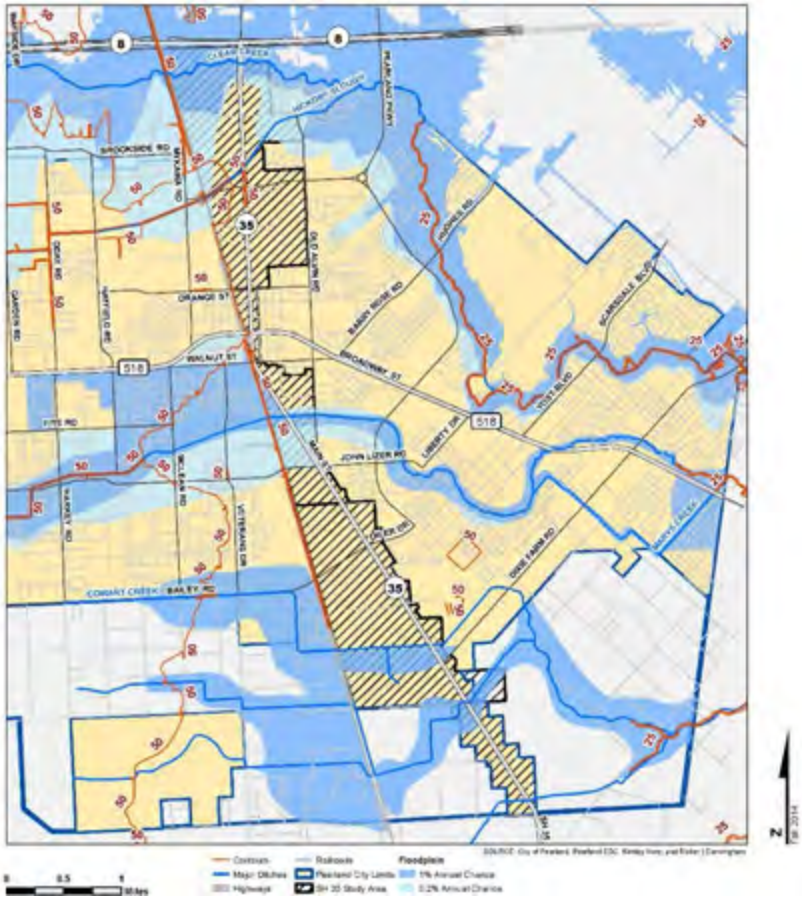
Physical Conditions

Physical conditions, both natural and man-made, can influence not only the type of land uses that develop within a certain geography, but also their format -- horizontal or vertical, above grade or below. Taken independent of regulations, they can impact the: location and configuration of buildings; capacity of affected parcels to accommodate development and redevelopment; and, land use pattern of an entire geography.

Physical conditions impacting parcels within the SH 35 Corridor include natural features such as floodplains, drainageways, and geologic faults; along with man-made improvements such as utilities, pipelines, roadways, railways, natural resource extraction facilities, and their supporting infrastructure; as well as, the presence of hazardous contaminants. A description of man-made resources and contaminants are presented below.

Figure 2-2 illustrates the location of major floodplains and drainageways within and traversing the Study Area. Clear Creek, one of the city's significant drainageways, runs through northern and northeastern portions of Pearland in a natural state, and serves as the Study Area's northern boundary. Two tributaries of Clear Creek, Mary's Creek and Cowart Creek, also significant drainage channels, bisect the Corridor within its central and southern segments. Although no lakes or other significant bodies of water impact properties within the Area, existing drainageways present sufficient influence that region-serving detention systems will be an essential improvement in the Corridor if the level of investment envisioned herein is realized.

Figure 2-2: Floodplains and Drainageways



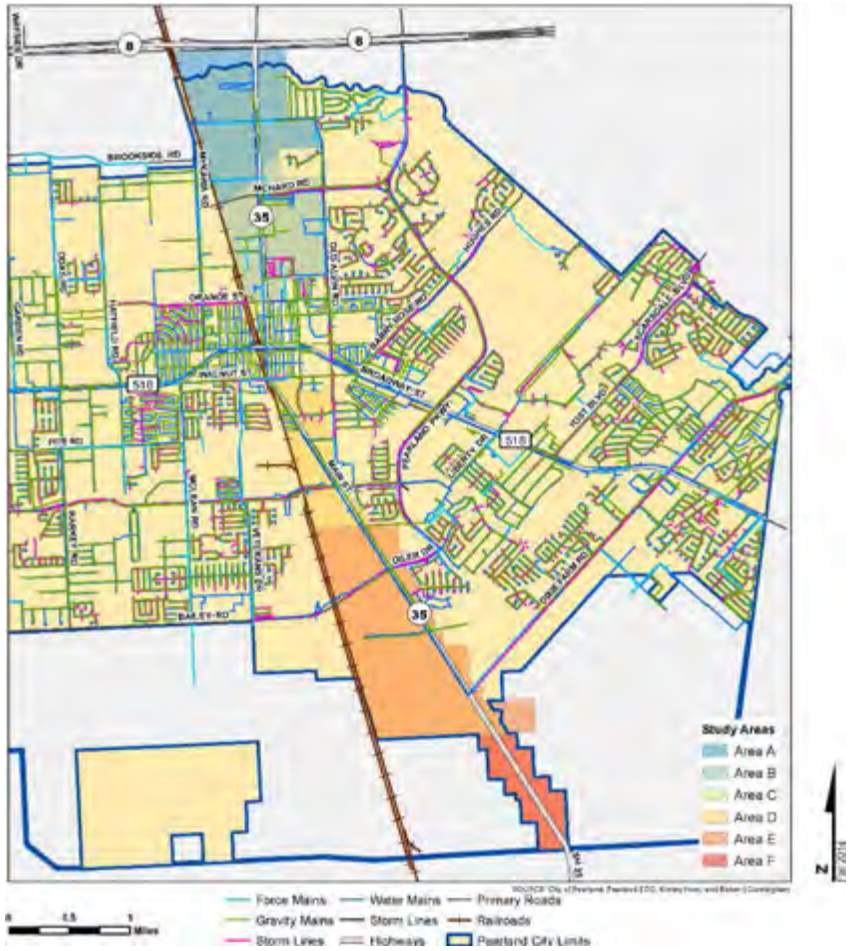
Another natural feature presenting development challenges for parcels in the Area is a series of geologic faults, primarily concentrated in the northern segment of the Corridor, south of Beltway 8, and east and west of SH 35/Main Street. Their presence and location can be obtained from the U.S. Geological Survey. Like other natural and man-made features, they can affect the capacity of impacted properties to accommodate various levels of investment.

Utilities and Pipelines

Although SH 35 right-of-way is fully improved, there is an inconsistent pattern of developed and undeveloped parcels located adjacent to the roadway on either sides. **Figure 2-3** illustrates the location of water and wastewater lines within the Study Area boundaries, including gravity mains, force mains, water mains, and storm lines, active and inactive (or abandoned). The condition, capacity and location of these facilities relative to the structures they serve has informed the development pattern of the Area, and continues to impact the economic feasibility of new development and redevelopment projects within its boundaries.

Overhead utility lines, both minor and major, are visible throughout the extent of the Corridor. While not uncommon in more established transportation corridors located on the fringe of major metropolitan areas, they do create a visual blight that can adversely impact market perceptions and correspondingly property values.

Figure 2-3: Utility Lines



Roadways and Railways

SH 35 is one of the city's two most heavily traveled major thoroughfares, the other being FM 518, which begins at SH 288 and traverses the city from west to east. Conversely, SH 35 crosses the city from north to south, and connects travelers from Gulf Coast communities to downtown Houston and the Greater Houston Metropolitan Area. The northern portion of the Corridor, between Beltway 8 and FM 518, was recently widened from a 4-lane road to a 6-lane divided road, in an effort to alleviate congestion and improve safety. A second phase of this project is planned, but as yet not funded, for that portion of the Corridor located south of FM 518 to the city's southern boundary.

Pearland's thoroughfare plan is one of several resource documents that describes the location of existing and planned roadway facilities by classification. Similar to other public documents such as the Comprehensive Plan, it can be revisited often, and generally is during periods of rapid growth so that it accurately reflect the changing needs and developmental dynamics of the community. While professionals have long debated whether land use should inform street designs, or streets should inform land use, it is agreed that roadway facilities function best when planned with consideration of the anticipated timing, type, and density of development and its users travel needs.

Figure 2-4 provides an illustration of roadway improvements, existing and planned, within the Study Area, taken from the thoroughfare plan. As presented, some are identified as having sufficient width, while others are identified as “To Be Widened,” indicating additional lanes are planned for existing facilities, in order to accommodate anticipated growth in traffic volumes; and, finally, others are identified as “To Be Acquired,” meaning right-of-way is needed to construct planned, but non-existent, roadways. The majority of planned roadways are collector streets, located to support new development, primarily within the southern portion of SH 35.

As of 2015, the only eminent Texas Department of Transportation (TxDOT) project planned in the vicinity of the Study Area is the proposed widening of FM 518 from SH 288 to SH 35, an improvement that would increase access to the Corridor from western portions of the community. Formal investigation of another project, the SH 35 Tollway Project, began for a period of time in 2007, and again in 2014; however, no formal recommendations had been advanced as of the date of this report. During the early part of 2014, TxDOT submitted a letter to the City of Pearland, informing them that they had initiated preparation of an Environmental Impact Statement (EIS) for a proposed State Highway 35 Tollway Project. Its purpose, according to the letter, was "to reduce traffic congestion along SH 35, improve mobility and Level of Service on SH 35, improve area-wide transportation safety, and efficiently link the suburban communities in this rapidly developing area." In addition, the project was intended to serve as a supplemental hurricane evacuation route. According to the project schedule at that time, it was intended to be constructed as a controlled access tolled facility consisting of four to six main lanes within a typical 300-foot right-of-way, and include auxiliary lanes between on-ramps and off-ramps, where appropriate.

The following year, the City of Pearland submitted a letter to TxDOT alerting them, as per their responsibility as a Participating Agency to the EIS process, that there was, "A significant amount of opposition to the project because it would displace multiple businesses and residents (based on its proposed alignment) in the heart of the city's Old Townsite District." As conceived, the SH 35 Tollway would comprise 25 to 30 miles of roadway, beginning in downtown Houston at IH 45, passing through Pearland, to the southern end of the Alvin bypass. The City's representative went on to explain, "The project proposed an elevated cross section through the same area, will create a significant negative noise and aesthetic intrusion on businesses and residents, resulting in an adverse economic impact." Finally, concern was expressed with regard to "likely conflicts associated with this type of roadway, particularly in the vicinity of the Old Townsite District, with desired improvements in keeping with its original downtown character." No substantive activity on the project has occurred since this time.

Figure 2-4: Roadways

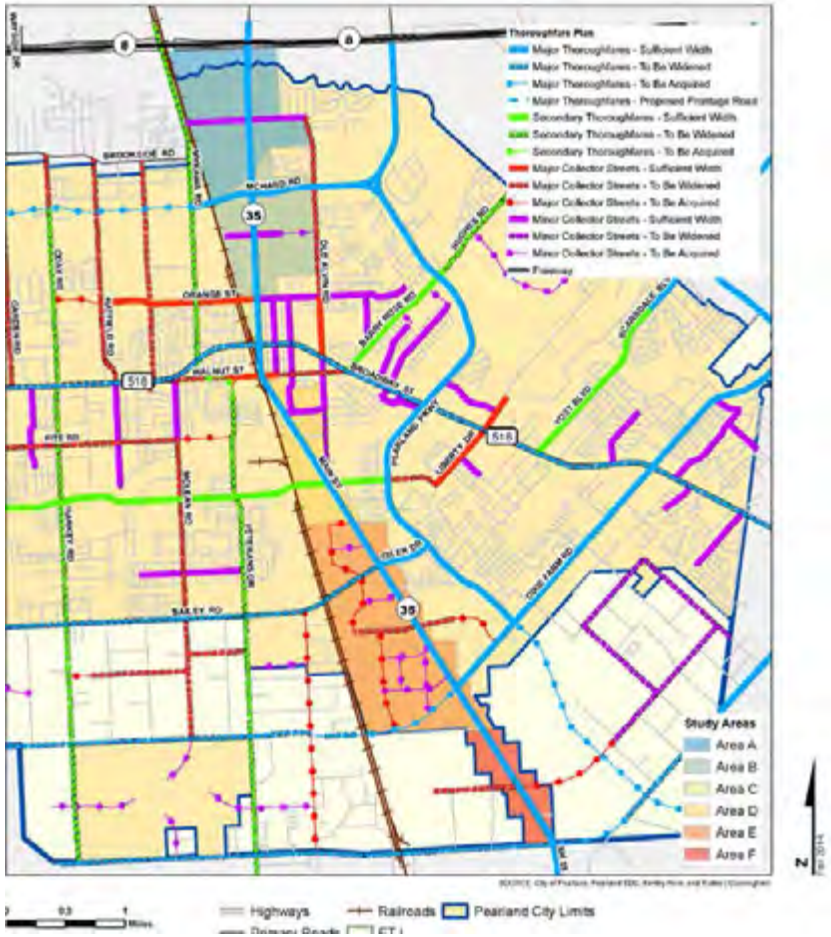
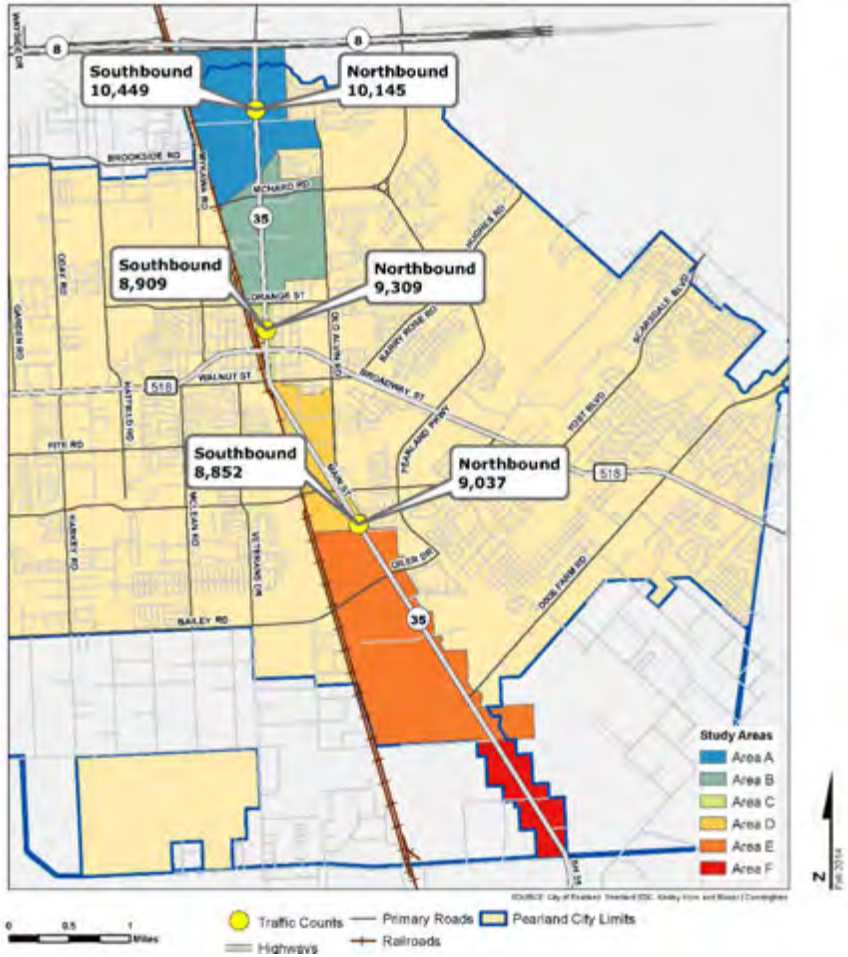


Figure 2-5: Traffic Counts



In addition to roadways serving properties in the Corridor, a major rail line is located west of the SH 35/Main Street Study Area, serving as its eastern boundary in its central segments. The railway is owned and operated by the Burlington Northern Santa Fe (BNSF) railroad company, and has been in place since Pearland was established. While its northern and southern segments provide a valuable alternative for industries desiring to move their goods by train rather than truck, in the vicinity of the Old Townsite District, the railway and its three at-grade crossings between Orange and Walnut Streets, while less impactful since the City negotiated for a "quiet zone" in this location, is an obstacle for certain desired uses and product types.

Traffic Counts

As **Figure 2-5** illustrates, 7-day average traffic counts along the northern segment of the Corridor totaled close to 20,500 daily vehicles for the period monitored, 2014. Comparatively, segments near its core, north of FM 518 and south of Magnolia Road, averaged nearly 18,000 daily vehicles during this same timeframe. It is important to note that in 2014, TxDOT was nearing completion of its multi-year SH 35 widening project. While their improvements were intended to accommodate additional traffic, given the fact that the project was not yet completed, and in it its final phase, it is reasonable to assume that travelers who otherwise may have chosen to use SH 35 were still using alternative routes. This said, these counts may not reflect typical or even current traffic counts.

Natural Resource Extraction Facilities

As presented in the City Comprehensive Plan, the most significant resource extraction facility in or near Pearland is the Hastings oil and gas field, located along the city's southern boundary in the vicinity of SH 35/Main Street and Dixie Farm Road. The number of active wells in this location is heavily influenced by the state of the energy industry which has waned over the past 18 months.

Hazardous Contaminants

Another condition impacting select parcels in the Study Area is the presence of hazardous contaminants, often the result of past activities, including the former service station facilities. Within the Comprehensive Plan, several locations of concern are identified within the city limits, with a significant concentration in the vicinity of the Old Townsite District, as well as along both the northern and southern segments of the Corridor. The source of this information is Environmental Risk and Imaging Services. Other locations identified through aerial photography are several oil pits within the Hastings Oil and Gas Field. During the course of this planning effort, documentation was provided regarding the presence of hazardous

materials within the Rice Drier property located east of SH 35 in one of the Corridor's northern segments.

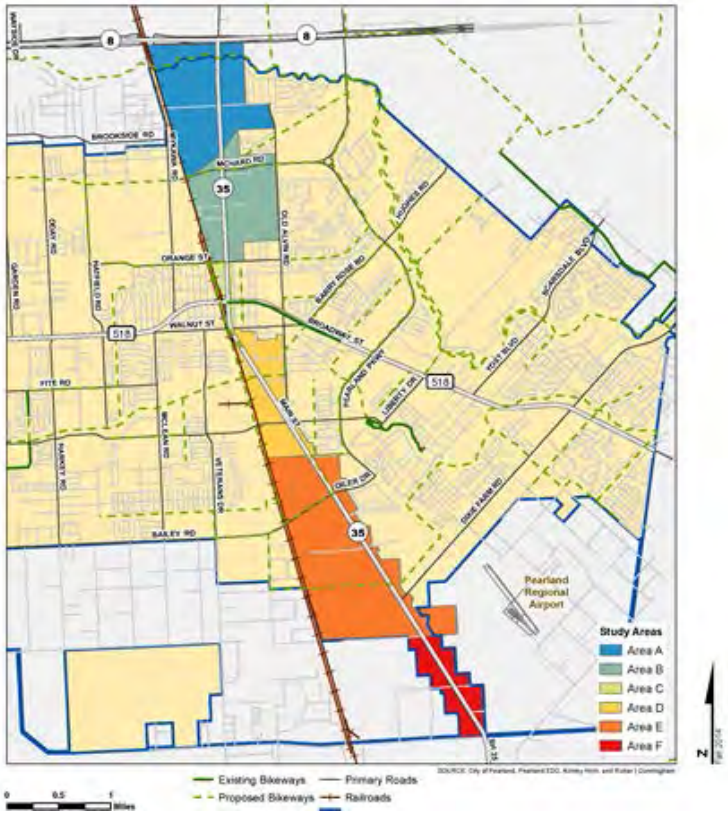
Bikeways and Trails

There are currently no accommodations for bicycles within the SH 35 Corridor. Further, the TxDOT widening project north of FM 518 did not include either bike lanes or shoulders. As reflected in **Figure 2-6**, however, there are numerous planned bikeways that could either traverse or parallel the 35 roadway. Among the east-west roads bisecting the Corridor, FM 518/West Broadway Street is the only with on-street bike lanes, specifically between SH 35 and Westminster Road.

In addition to several planned bikeways, the Pearland Trail Master Plan, adopted in 2007, and recent Parks and Recreation Master Plan, adopted during the latter part of 2015, also identifies an expanded trail system that would serve large expanses of the community, including points along the SH 35 Corridor. Among primary and secondary trail systems, secondary trails offer shorter connections between points and ultimately the primary trails. Many of the future improvements would follow existing roadways or take advantage of existing utility, drainage, and pipeline easements.

In the 2015 Plan, the overriding objective for the community is "recreational connectivity," which includes both heightened walkability and bikeability. Walkability, in this capacity, is a measure of how user-friendly an area is to people traveling on foot. Similarly, bikeability refers to the extent to which a community accommodates bicycle travel.

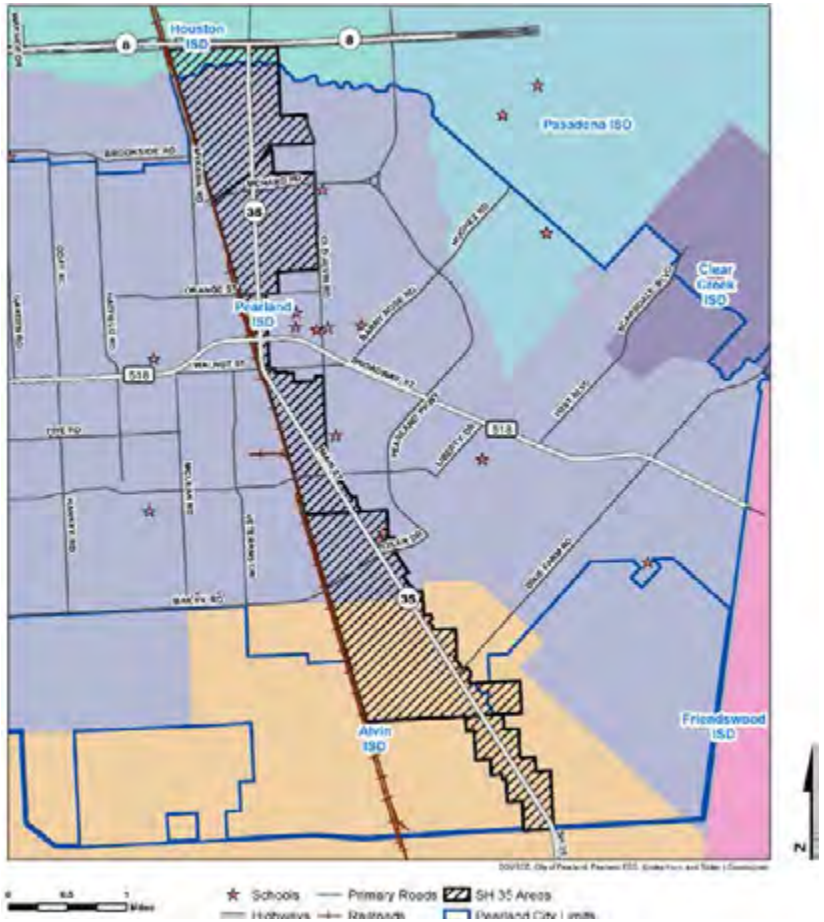
Figure 2-6: Bikeways, Roads and Railroads



School Districts

Residential properties within the Study Area and its influence area are generally served by two school districts – Pearland Independent School District (ISD) and Alvin ISD. The Alvin ISD extends from just south of Bailey Road past the southern boundary of the Study Area, but does not have any schools located within the Study Area boundaries. Conversely, the Pearland ISD extends from just south of the Sam Houston Tollway/Beltway 8 to the northern border of the Alvin ISD, and has one of its four high schools, Pearland High School, located in the Corridor. As **Figure 2-7** shows, several other Pearland ISD schools are visible within an influence area of the Corridor, while none of the Alvin ISD facilities are visible. Specifically, schools are located along the eastern boundary of the Study Area, in the areas bound by East Plum Street, North Galveston Road, Broadway Street, and Schleider Drive.

Figure 2-7: School Districts

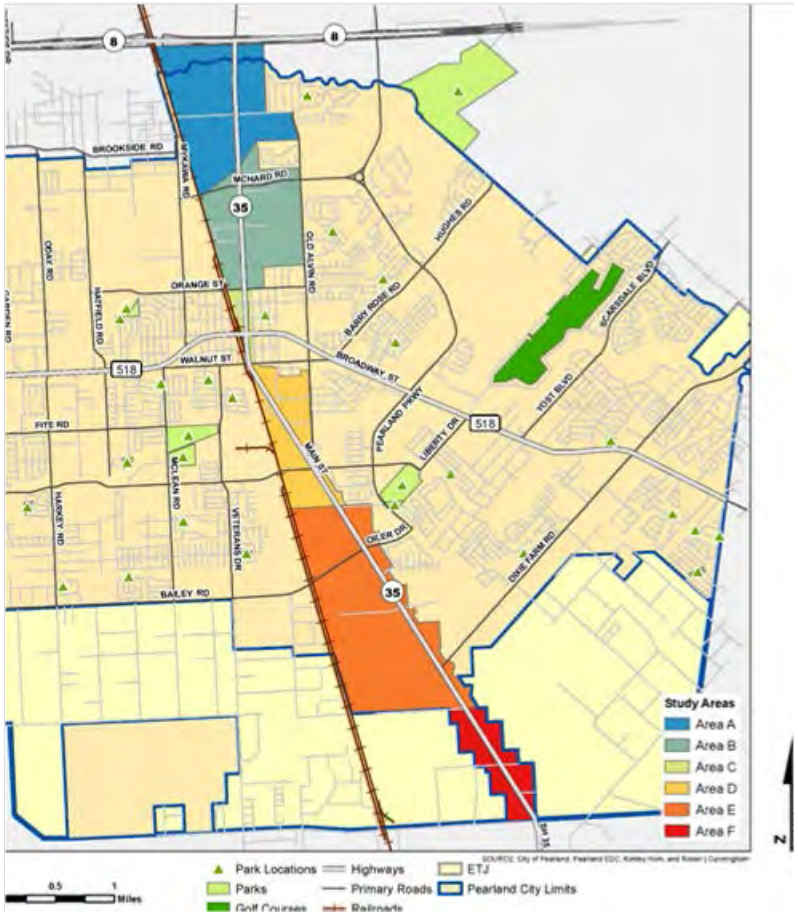


Parks and Open Space

The City of Pearland adopted a new Parks and Recreation Master Plan during the fall of 2015. That plan offers an assessment of the existing park system, along with recommendations regarding the community's future needs. Respondents to a survey administered during that planning process ranked trail improvements and connections sixth and seventh among 22 investment priorities.

Zychlinski Park, located near the city's core within the Old Townsite District (the boundaries of which are defined in the discussion of zoning below), is the only municipal park located within the Study Area. Beyond, yet near the Corridor, are two community-sized parks – Independence and Centennial Parks. Independence Park, located near John Lizer Road and Pearland Parkway, offers 1.6 miles of trails, a swimming pool, basketball courts, tennis courts, and soccer fields. Centennial Park, located west of the Corridor on McLean Road, also hosts numerous recreational facilities. Finally, various neighborhood-scale parks serve residential areas within an influence area of the Corridor.

Figure 2-8: Parks and Open Space



Zoning

Of the more than 2,600 acres that comprise the Study Area, 60% is zoned either M-1 Light Industrial or M-2 Heavy Industrial. Other zoning categories include those listed below. In terms of total acreage, the next largest categories are General Commercial and General Business, which collectively represent 26% or approximately 677 acres, of the Corridor area, within 189 parcels.

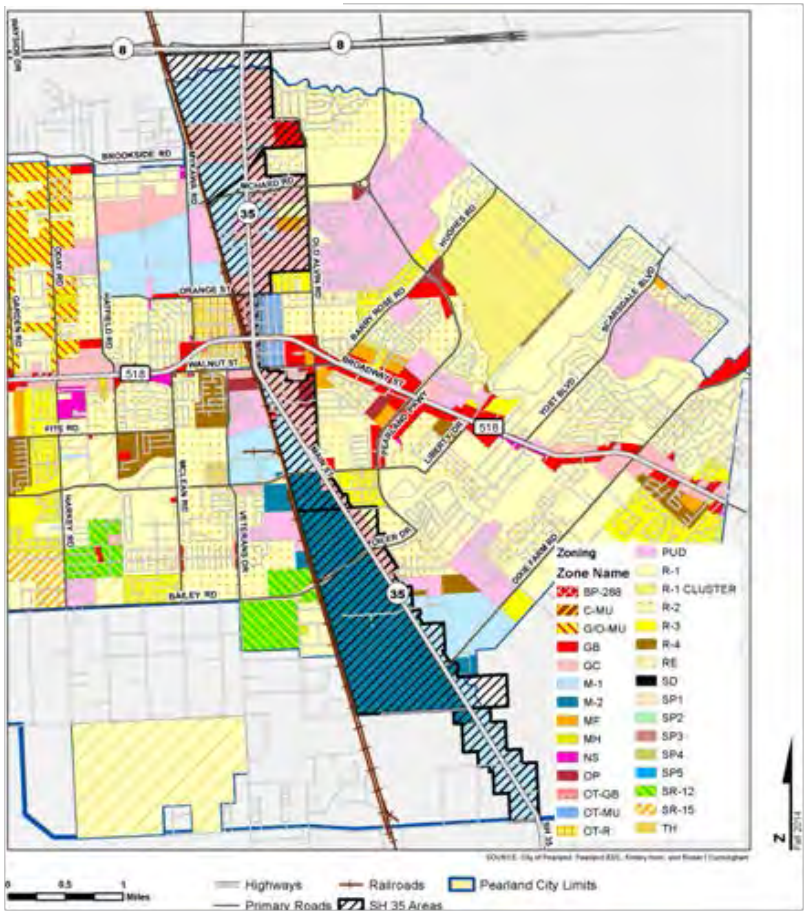
Based on an analysis of total parcel acres by zoning and total parcel acres by use, it appears that there are numerous instances of non-conformity (between zoning and use) across all land use types. Whereas zoning can be a deterrent or barrier to investment, particularly when existing classifications do not align with an expressed vision, among the recommendations presented herein regarding implementation of this Strategy, is greater alignment of land uses in the Corridor with the expressed vision for each segment or subarea. In addition, elimination of residential zoning in the Study Area, except within the Old Town District where it is advised that the Old Town classification by used in a similar manner to Planned Unit Development (PUD), where there are no additional "sub-classifications" such as commercial, industrial, residential and others. Note: A detailed definition of each classification is provided in the **Appendix** section of this report.

Table 2-1: Acreage and Parcels by Zoning

Zoning Type	Zoning Classification	Acreage	No. of Parcels
Light Industrial	M-1	731.19	189
Heavy Industrial	M-2	831.35	158
General Commerical and Business	GC, GB	677.24	80
Residential (Multi-Family)	MF	16.63	3
Residential (Single Family)	R-1 & R-3	20.1	10
Office and Professional	OP	20.73	10
Old Townsite (all subcategories)	OT	40.24	85
Public Utility District	PUD	3.13	1
Unknown	n.a.	259.9	11
Totals		**2600.51**	**547**

Source: Texas Workforce Commission; HGAC; and Ricker|Cunningham.

Figure 2-9: Zoning Map



Existing Land Use

Existing land uses in the Study Area include a mix of industrial, commercial, residential, and vacant land. Industrial uses, and a cemetery which is comprised of 3 parcels and more than 103 acres, dominate the northern segment, while heavier industrial uses, and a school campus of approximately 16 acres, dominate the southern segment. Properties located north of the Old Town District, within the central segment, maintain the most significant concentration of general commercial uses, many of which are highway-serving in nature. As referenced above, the Old Town District anchors the center of the Corridor, with residential, commercial and institutional uses, scaled to their physical environment which is a series of walkable blocks amongst a gridded street system, surrounded by several established residential neighborhoods.

One hundred and thirty-one (131) parcels are classified as Industrial, comprising a total of approximately 551 acres. Among the 188 Commercial properties, their total acreage is slightly more than 300 acres. Fifty-one (51) parcels have a Residential use category, within 234 acres. In addition to a Hotel property of 4.5 acres, 236 properties are classified as Vacant, with a total combined acreage of approximately 1,270 acres.

Eleven parcels with a zoning classification of “unknown”, have three different use categories – Commercial, Industrial and Vacant. The single Commercial parcel is slightly larger than 17 acres. Among the six parcels with a use classification of Vacant, they range in size from 0.13 acres to approximately 167 acres. The remaining four Industrial properties, range in size from 2 acres to approximately 11 acres.

Future Land Use Plan

The Future Land Use Plan Map, completed for the 2015 Comprehensive Plan Update, more accurately reflects the current pattern of development in the Study Area, than what is reflected in the Existing Land Use Map, presented in the 2004 Comprehensive Plan Map; and, most importantly, closely align with what is envisioned for a fully revitalized SH 35 Corridor. Specifically, the City’s principal policy document (the Comprehensive Plan), shows that the future makeup of the northern portion of the Corridor will be nearly entirely Industrial rather than a mix of Business Commercial and Industrial. Further, it shows a single Old Townsite or "Village" District label supporting a mix of residential, retail, office and service uses. Finally, the South Park Cemetery located in the southwest quadrant of Knapp Road and SH 35, is reflected as a Public / Semi-Public use, despite its Light Industrial zoning classification. Because of the presence of pipe fields in the vicinity of Oiler Drive and the Hastings Oil and Gas Fields, along with other existing facilities with outdoor storage facilities, heavier uses are recommended in the southern portion of the Corridor.

Similar to the prevailing zoning, yet dissimilar to the vision for the Study Area, residential land uses continue to be shown in two separate locations – north and south of the Old Townsite District. As mentioned earlier, recommendations presented later in this document with regard to desired land uses and regulatory controls, suggest the City disallow any requests to rezone properties for residential development within a certain impact zone of the roadway (distance to be determined).

Parcel Characteristics

Property Ownership

As noted earlier, there are more than 540 parcels within the 7.2 mile extent of the Study Area, comprising approximately 2,600 acres. They range in size from .004 to 175.8 acres, and average 4.8 acres. Among the Area's unimproved parcels, they range in size from .004 to 166.9 acres, and average 5.9 acres. The boundaries and dimensions of parcels within each segment, along with several other characteristics, are illustrated in a series of maps presented in **Appendix D**. Specifically, the maps demonstrate ownership patterns; land, improvement and market values; and, their utilization. Note that property utilization reflects the numerical relationship between the improvement and total value, rather than just a physical state.

Supplementing the maps is a summary of property ownership and utilization, by segment, in **Tables 2-2** and **2-3** here. Most notable about the Area's owners is the number (or percent) with a local presence. Specifically, nearly 60 percent of Study Area properties are owned by an individual or interest with either a Pearland, Houston, or Brazoria County address. Comparatively, 20 percent of the properties are owned by an entity from "Other Texas Cities" and only 10 percent by an "Out-of-State" interest. In any redevelopment effort, it is important to understand whether owners are present or "absent," as this can be a measure of commitment, or interest in affecting change.

Table 2-2: Property Ownership by Study Area Segment

	SH 35 Corridor Study Area Segments					
	A=738 acres	B=465 acres	C=40 acres	D=287 acres	E=972 acres	F=194 acres
Ownership Geography	% of acres	% of acres	% of acres	% of acres	% of acres	% of acres
Pearland/Brazoria County	30%	49%	53%	44%	56%	38%
Houston	12%	22%	11%	11%	12%	17%
Other Texas Cities	44%	20%	22%	15%	4%	18%
Out of State	14%	8%	11%	15%	5%	20%
Unknown	0%	1%	3%	15%	23%	7%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Brazoria County Appraisal District and Ricker | Cunningham.

Property Utilization

Based on a review of the maps demonstrating patterns within the Corridor segments and individual parcels, it appears that there is a comparatively high level of under-utilization, meaning, that there are numerous parcels that are either vacant, have only improved a portion of their property, or have an improvement value disproportionately small compared to the land value. Whereas utilization in this context is measured by quantifying the ratio between improvement and total value, this may indicate that land values are supporting appropriate levels of investment, and that existing development patterns among improvement properties are relatively efficient. It may also suggest that the reason some parcels are undeveloped, is due to the cost-prohibitive impact of developing sites with limited utility. While vacant properties may seem like obvious investment targets, less obvious are parcels with a land value that can support a higher and better use, or in other words, those with a disproportionately high land to improvement value, whereas they too can be "ripe" for investment. A critical component of any redevelopment effort is to understand the entire inventory of sites with development and redevelopment potential, making this type of analysis essential whereas viable parcels cannot be identified through physical observation alone. Another bi-product of this work is a better understanding of the economic feasibility of developing in the targeted redevelopment area, since acquisition prices will impact investment returns. **Table 2-2** summarizes property utilization ratios within the Study Area segment. As shown, Segments A and E maintain the largest share of "under-utilized" properties, likely due to a disproportionate number of vacant properties in these areas. Segment C, which includes the Old Townsite District, has the lowest share of "under-utilized" properties, although comparatively high relative to many urban areas.

Table 2-3: Property Utilization by Study Area Segment

	SH 35 Corridor Study Area Segments					
	A=738 acres	B=465 acres	C=40 acres	D=287 acres	E=972 acres	F=194 acres
Property Utilization	**% of acres**	**% of acres**	**% of acres**	**% of acres**	**% of acres**	**% of acres**
20% and Less	65%	60%	33%	56%	64%	47%
21% to 40%	17%	18%	19%	17%	20%	18%
41% to 60%	11%	13%	25%	15%	9%	13%
61% to 80%	5%	5%	17%	8%	4%	14%
80% and Greater	2%	4%	6%	4%	3%	8%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Brazoria County Appraisal District and Ricker | Cunningham.

Summary

In summary, the Study Area's existing pattern of development, while not atypical of other established corridors in communities located on the periphery of a major metropolitan area, maintains conditions which present both obstacles and opportunities for new development and redevelopment. With an established network of neighborhoods beyond its boundaries, yet moving increasingly closer to potential zones of impact, a natural reaction by the City could be to increase regulations and impose requirements intended to create greater compatibility among these use, while protecting its residents. However, and contrary to the development practices of communities throughout the country over the past few decades that have encouraged a greater integration of uses, a recommendation of this Strategy is that development regulations and guidelines within the Study Area support its principal land use, first, which is primarily industrial; with the exception of commercial, residential and institutional uses in its central segment. Further, it is suggested that requests to rezone non-residential to residential in the vicinity of the Corridor's northern and southern segments, be denied. The vision for a redeveloped SH 35 Corridor is a business park environment with business and industry being the dominate land uses, and commercial retail and restaurants and possibly institutional facilities, secondary uses.

Capital improvements, onsite and offsite, that will be necessary include: connections, both vehicular and non-vehicular; completion and relocation of utility lines and other infrastructure; public, open space and landscaping enhancements; and, others that will promote greater contiguity in the character and quality of its building inventory.

Section 3:

Market Overview

The purpose of any market analysis associated with an area-wide planning effort such as this one is to: provide a "reality check" for conceptual planning; ensure that recommendations are grounded in market and economic reality; set the stage for implementation; and, provide an accurate and independent "story" to tell potential development and investor audiences.

The approach to market analyses, while still largely predicated on the basic principles of supply and demand, in the context of a strategic planning initiative such as this one warrants a particularly focused review of issues which may present both barriers to, and opportunities for, investment. To this end, major components of the work conducted as part of this assignment involved: consideration of the Study Area's physical environment and ability to accommodate a range of land uses and product types; investigation of current and anticipated real estate industry trends and their applicability to the Study Area; review of demographic and psychographic characteristics that are informing the region's market mix; examination of operating conditions among potentially competitive projects, and quantification of demand by use and type; and, identification of improvement costs, revenues and timing, along with their potential economic impact. With a thorough understanding of these items, public sector representatives engaged in discussions with private sector entities considering investment in the Corridor will have a more comprehensive understanding of project feasibility and development challenges.

Real Estate Industry Trends

"*The good, the bad and the ugly"*

"The bad is anything 'garden variety.' Over the short haul, there will not much demand among either users, or investors, for plain-vanilla real estate that falls into the "commodity" bucket. They are cheap, but you get what you pay for. The ugly is anything that smacks of 'sprawl,'

including properties dependent on inflated parking ratios that presume the growth of tract housing at the perimeter of a metro area. The good reflects a cogent appeal to either Millennials or Baby Boomers." Urban Land Institute (ULI), Emerging Trends in Real Estate, 2015

The Changing Face of Space

According to the Urban Land Institute, authors of the annual Emerging Trends in Real Estate report, this statement is supported by the fact that nearly all real estate property sectors have made significant format changes in the last few years. Conditions that prompted these changes almost entirely fell into one of the following categories -- demographic shifts, evolving consumer expectations, the "re-urbanization" of America and growth in technological infrastructure. For example, in 1980 office buildings were built to provide 250 square feet of space per employee. Conversely, several recent office developments were constructed at closer to 100 square feet per employee, and with significantly more collaboration space. This was an outgrowth of pressure from non-Baby Boomer generations for smaller energy efficient work spaces, flexible work schedules which allowed employees to divide their time between home and work, and the phenomenon of multiple companies sharing the same office space. Another example is the evolution of a more urbanized format of retail space in suburban locations, in response to a growing desire to "return to the city" by many Americans. Smaller retail spaces in both urban and suburban locations was made possible by stronger connections to industrial facilities that are now housing inventories previously found in stores; as well as, distribution centers that are making "just-in-time" deliveries of commercial products possible. Finally, both ownership and rental housing product types are getting smaller, yet better, and encouraging greater communication among residents. Nearly all apartment projects built since the end of the Great Recession (in 2012) were developed with a mix of smaller single units and double master units, along with larger "community spaces." This combination of features better meets the preference of Millennials for less permanence and fewer expenses. Smaller ownership units, both attached and detached, but anchored by public gathering places, addressed demand for quality over quantity in the home space, lot size and neighborhood amenities. These products also address the necessity for greater "physical connectedness," particularly since an increasing amount of work can now be done at home because of better "electronic connectedness." In addition to social and industrial conditions, changes in the lending industry also informed the recent evolution in real estate development. Following the collapse of several financial institutions during the period between 2008 and 2012, equity underwriting practices made it nearly impossible to access capital for real estate investment and development will also impact investment and development decisions. Today, while the social and industrial trends continue to inform the changing face of space, underwriting requirements have become less stringent. This, combined with growth in several markets including the Houston-Baytown-

Sugarland Metro Area, according to ULI, has made this region a "favorable market for capital flows and one that should be expected to realize growth among supportable product types for the foreseeable future, despite retrenchment in the energy industry."

Economic and Demographic Indicators

Economic and demographic characteristics are indicators of the economic health of a market, and therefore affect investment and reinvestment decisions. Whereas the Study Area is located in the southern portion of the Houston-Baytown-Sugarland Metropolitan Area (the Metro Area) and connected via region-serving roadways such as the Sam Houston Tollway (Beltway 8), State Highway 288 (SH 288), and Interstate 45, (I-45), development projects within its boundaries can be expected to attract the interest of individuals from a broad geography, one beyond the Pearland municipal boundaries. For this reason, the various trade areas within which future uses will attract and compete for residents, consumers, users and visitors, will reach across multiple jurisdictions.

Trade Area Definition

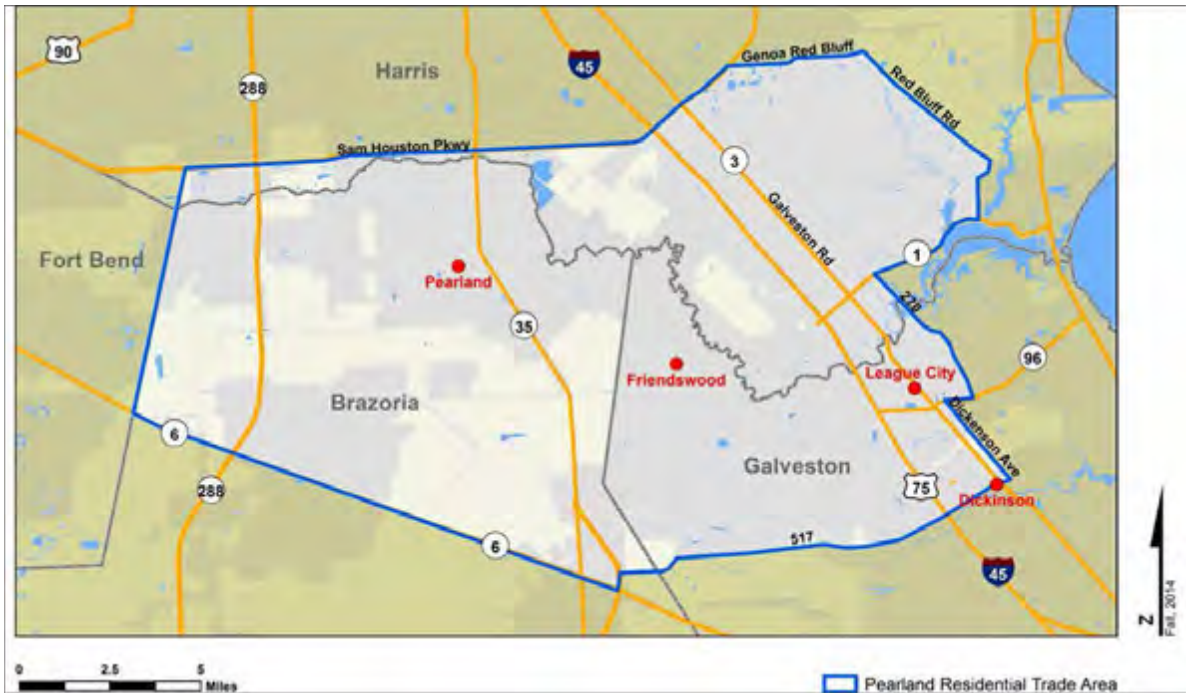
Because the Study Area has the potential to support development of a variety of product types, individual trade areas were defined for all of the major land uses (residential, retail, office and industrial). A trade area is the geography from which projects in a certain location will draw and compete for the majority of their residents, customers, or tenants. Several determinants are used to define the boundaries of a trade area, some unique to the specific use or product type, and others more universally applicable. The most common are those presented as follows:

- **Physical Barriers** – presence of certain physical improvements including highways, arterials, and significant structures, all of which influence driving and shopping patterns; along with the availability, condition and capacity of infrastructure;
- **Location of Possible Competition** – inventory of potentially competitive projects which can diminish a project's potential market share, and be an indicator of market acceptance;
- **Proximity to Population, Employment and / or Activity Centers** – concentrations of neighborhoods, employment centers, service providers, and commercial entertainment venues which attract target markets that will support development and redevelopment;

- **Zoning** – regulatory designations which will influence investment decisions;
- **Market Factors** – conditions which will set sale and lease prices, influence capital flows, suggest excesses and voids, and ultimately potential project values; and
- **Drive Times, Spending and Commuting Patterns** – consumer habits and biases which can inform the project's potential for success.

In the socio-economic and demographic analysis that follows, the Residential Trade Area (or Trade Area as referred to herein), is used as the primary geography for which select characteristics are presented. Its boundaries, illustrated in **Figure 3-1**, are the Sam Houston Tollway on the north, Red Bluff Road and State Highway 3 on the east, State Highways 6 and 517 on the south, and Almeda Road on the west; and, it includes all or some portion of the cities of Pearland, Friendswood, Alvin, League City, along with Brazoria and Galveston County. As a barometer of an area's economic health and potential for investment, demographic and economic characteristics, taken together with its psychographic profile, can reveal support for product types that may or may not be part of its current inventory. While the built environment is often considered to represent all of a market's preferences, it is often the case that there are other supportable uses which better represent what is not only wanted, but needed, yet absent due to any variety of obstacles or barriers. For this reason, a higher level of attention is given to this component of the analysis.

Figure 3-1: Residential Trade Area



As presented in **Table 3-1** here, the Residential Trade Area's total population increased by 2.2% between 2010 and 2015, while Brazoria County and the Metro Area increased by 1.9% and 2.2%, respectively. Future forecasts of household growth estimate a rate of approximately 2.0% in the Trade Area over the next 10 years, compared to 2.0% in the County, and 1.9% in the Metro Area. The average household size in the Trade Area is 2.85, and the County and the Metro Area are 2.84 and 2.89, respectively. Despite the higher average household size, 40% of residents in the Metro Area are renters, compared to 27% in the Trade Area. In addition, the median age of residents in the Trade Area (35.4 years) is slightly higher than either the County (35.3 years) and the Metro Area (33.6), despite a similar percent of individuals under age 17 which is 27% in the Trade Area, and 27% and 26% in the County and Metro Area, respectively. Similarly, on the opposite end of the age range, the Trade Area, County, and Metro Area all maintain a similar percent of individuals 65 years and older. In terms of education and income levels, a greater percent of residents in the Trade Area hold a bachelors' degree at 37%, explaining why a lower percent of households have a median household income below $25,000 and a higher percent have incomes over $100,000. The ethnic profile of residents in the Trade Area is more similar to that of the County, but considerably less ethnically diverse than the Metro Area's. A variety of maps illustrating these characteristics are presented in **Appendix D**.

Table 3-1: Residential Trade Area Demographic Overview

2015 Indicator (unless otherwise noted)	Pearland Trade Area	Brazoria County	Baytown-Sugarland Metro Area
2010 Population	368,966	313,166	5,920,416
2015 Population (estimated)	411,100	344,700	6,589,400
2015 Households (estimated)	143,350	117,100	2,224,300
Annual Household Growth Rate (Projected through 2020)	2.0%	2.0%	1.9%
Average Household Size	2.85	2.84	2.89
Percent Non-Family Households	25%	24%	29%
Percent One- and Two-Person Households	50%	51%	54%
Percent Renters	27%	25%	40%
Percent Age 65+	10%	10%	10%
Percent Age 0-17	27%	27%	26%
Median Age	35.4	35.3	33.6
Percent With Bachelor's Degree	37%	27%	31%
Median Household Income	$78,203	$67,603	$57,366
Percent With Income Below $25,000	13%	11%	21%
Percent With Income Over $100,000	38%	38%	27%
Percent Hispanic	25%	28%	36%
Percent Black/African-American	12%	13%	17%
Percent Asian American	10%	6%	7%

Source: U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

Source: U.S. Census Bureau; Claritas, Inc.; and Ricker | Cunningham.

Figure 3-2: Population Density by Census Block (2013)

Figure 3-3: Household Density by Census Block (2013)

Age Cohort Migration

Migration studies examine how certain groups or populations move within a certain geography. For the purpose of this planning effort, movement among three major age cohorts – Baby Boomers, X Generation and Y Generation - within the Trade Area, were analyzed over a period of 20 years. A series of maps illustrating these patterns are presented in the following pages. As with the **Figures 3-4** and **3-5**, each colored shape in the maps represents a census block. However, whereas the purpose of the migration maps is to identify changing conditions in the same geography over multiple periods of time, this can be difficult using census blocks as a measure since their boundaries can change over time.

Therefore, the analysis presented should be considered a representation, rather than an exact reflection, of mobility in the region. Finally, since the definition of these age cohorts can differ depending on their source, these groups are assumed to fall within the following age ranges for the years analyzed as presented below.

Baby Boomers:	**X Generation:**	**Y Generation: ***
1980: 16 - 34 years	1980: < 15 years	1980: n.a.
1990: 26 – 44 years	1990: 6 – 25 years	1990: < 5 years
2000: 36 – 54 years	2000: 16 – 34 years	2000: < 15 years
2010: 46 – 64 years	2010: 26 – 45 years	2010: 10 – 25 years

* Millennials and Echo Boomers.

For clarification, total population, rather than percent of population, figures were used to illustrate the respective populations in each cohort, so that the magnitude of the market's depth could be understood. As shown, these three age cohorts consistently grew in population in the Trade Area between 1990 and 2010, generating potential for a wide variety of real estate product types.

Figure 3-4: 1990 Baby Boom Population

Figure 3-5: 2010 Baby Boom Population

Figure 3-6: 1990 Gen X Population

Figure 3-7: 2010 Gen X Population

Figure 3-8: 1990 Gen Y Population

Figure 3-9: 2010 Gen Y Population

Psychographic Profile

Psychographics is a term used to describe the characteristics of people and neighborhoods which, instead of being purely demographic, speak more to attitudes, interests, opinions and lifestyles. PRIZM (Claritas, Inc.) is a leading system for categorizing day- and night-time populations into one of 65 distinct lifestyle segments based on these factors. Many commercial retail developers rely on psychographics to measure a market's depth for certain consumer preferences, and propensity to spend across select retail categories. Similarly, a growing number of residential developers are interested in an area's psychographic profile whereas it can serve to eliminate some of the uncertainty associated with delivering unproven product types to a market.

PRIZM organizes the segments into "life stage groups," of which – Younger Years, Family Life, and Mature Years – are present in the Trade Area based on a combination of three variables — affluence, householder age, and presence of children at home. A definition of its largest lifestyle segments, including those presented in **Table 3-2**, are provided in Appendix E. For each segment listed in the table, the total of area households which fall into these groups, along with the percent they represent of all households in the Trade Area, as well as the national index for this segment (or comparative number of households in the nation that fall in this group). Characteristics of these groups include: advanced degrees, family-orientation, married couples and singles, and mobile students and professionals.

Table 3-2: Trade Area Top Psychographic Segments

Lifestyle Segment	Area Households	% of Total Households	U.S. Index=100*
Movers and Shakers	9,354	6.5%	429.6
Brite Lites, Li'l City	7,436	5.2%	308.5
Home Sweet Home	6,151	4.3%	245.7
Young Influentials	6,118	4.3%	314.6
Up-and-Comers	5,112	3.6%	263.4
Younger Years Subtotal	**34,171**	**23.8%**	--
Winner's Circle	16,271	11.4%	1,098.2
Kids and Cul-de-Sacs	11,041	7.7%	503.8
Upward Bound	10,343	7.2%	405.8
Blue Blood Estates	5,782	4.0%	446.3
White Picket Fences	4,530	3.2%	226.7
Family Life Subtotal	**47,967**	**33.5%**	--
Second City Elite	5,194	3.6%	274.5
Middleburg Managers	3,817	2.7%	128.6
Upper Crust	3,524	2.5%	173.4
Pools and Patios	1,992	1.4%	112.8
New Empty Nests	1,934	1.3%	136.1
Mature Years Subtotal	**16,461**	**11.5%**	--
Total Above Segments	**98,599**	**68.8%**	--
Total Trade Area	**143,350**	**100.0%**	--

* Indicates concentration of this segment relative to U.S. average. A segment index of 200 would mean that this group contains 2 times the concentration of employees/households compared to the average U.S. community.

Source: Claritas, Inc. and Ricker | Cunningham.

Market Supply and Demand Conditions

Residential

As explained earlier, factors that influence the boundaries of a trade area include several conditions and perceptions including: presence or absence of roadway connections (including highways and overpasses), their capacity, speed, and condition; boundaries of school districts and their performance levels; inventory of competitive projects; and, proximity to institutions and services. The Residential Trade Area for projects in the SH 35 Corridor, past and present, is reflected in **Figure 3-1** above.

Residential Supply Conditions

Table 3-3 here reflects actual building permit activity, as well as historical and comparative trends among different product groups. As presented, new residential construction in Pearland over the past two years has begun to rebounded, although at levels below those experienced prior to the Great Recession (2008 - 2012). For example, during the period 2007

Table 3-3: Trade Area Historical Building Permit Activity (2007 -2013)

Unit Type	2007	2008	2009	2010	2011	2012	2013	Total	Annual Average	% of Trade Area
City of Pearland										
Single Family Detached	1,639	1,207	772	722	691	948	955	6,934	991	38.2%
Single Family Attached (2-4 units)	0	0	4	0	0	0	0	4	1	66.7%
Multi-Family (5+units)	518	64	711	126	379	370	0	2,168	310	66.4%
Total Units	**2,157**	**1,271**	**1,487**	**848**	**1,070**	**1,318**	**955**	**9,106**	**1,301**	**42.5%**
City of Friendswood										
Single Family Detached	266	229	69	148	163	192	168	1,235	176	6.8%
Single Family Attached (2-4 units)	0	0	0	0	0	0	0	0	0	0.0%
Multi-Family (5+units)	0	0	0	0	0	0	0	0	0	0.0%
Total Units	**266**	**229**	**69**	**148**	**163**	**192**	**168**	**1,235**	**176**	**5.8%**
City of League City										
Single Family Detached	1,345	735	584	770	557	696	1,080	5,767	824	31.7%
Single Family Attached (2-4 units)	0	0	0	0	0	0	0	0	0	0.0%
Multi-Family (5+units)	100	99	51	206	0	180	0	636	91	19.5%
Total Units	**1,445**	**834**	**635**	**976**	**557**	**876**	**1,080**	**6,403**	**915**	**29.9%**
City of Alvin										
Single Family Detached	122	61	62	53	78	51	96	523	75	2.9%
Single Family Attached (2-4 units)	0	0	2	0	0	0	0	2	0	33.3%
Multi-Family (5+units)	0	0	80	110	0	0	0	190	27	5.8%
Total Units	**122**	**61**	**144**	**163**	**78**	**51**	**96**	**715**	**102**	**3.3%**
Unincorporated Brazoria County										
Single Family Detached	573	437	453	564	547	544	590	3,708	530	20.4%
Single Family Attached (2-4 units)	0	0	0	0	0	0	0	0	0	0.0%
Multi-Family (5+units)	270	0	0	0	0	0	0	270	39	8.3%
Total Units	**843**	**437**	**453**	**564**	**547**	**544**	**590**	**3,978**	**568**	**18.6%**
Total Trade Area										
Single Family Detached	3,945	2,669	1,940	2,257	2,036	2,431	2,889	18,167	2,595	100.0%
Single Family Attached (2-4 units)	0	0	6	0	0	0	0	6	1	100.0%
Multi-Family (5+units)	888	163	842	442	379	550	0	3,264	466	100.0%
Total Units	**4,833**	**2,832**	**2,788**	**2,699**	**2,415**	**2,981**	**2,889**	**21,437**	**3,062**	**100.0%**

Source: U.S. Census Bureau and Ricker | Cunningham.

through 2009, permits for multi-family units in Pearland accounted for 18% of all permits issued, while permits for single family attached and detached units accounted for 1% and 81%, respectively. Total permits issued during this earlier timeframe averaged approximately 1,800 per year, compared to an annual average of almost 1,000 units over the last two years. During this period, though, multi- family permits in 2012 represented approximately 30% of all permits issued, but 0% in 2013.

Ownership Supply

Among existing residential units, and as presented in **Table 3-4**, residential closings within the jurisdictions in the Trade Area during 2013 and 2014 represented approximately 6% of the Houston Metro Area, yet exceeded its average selling price. Activity in the Trade Area during 2014 fell slightly, however the average selling price exceeded that of the Metro Area by a larger percent. On a more localized basis, in 2013, projects in Pearland (including the Study Area), Friendswood, and League City, realized the highest sale prices among the Trade Area jurisdictions. In 2014, Pearland prices exceeded those in League City, but remained below Friendswood prices.

Table 3-4: Trade Area Historical Sales Activity among Existing Units (2013 -2014)

	2013		2014*	
Trade Area City	**Closings**	**Average Price**	**Closings**	**Average Price**
Alvin	52	$172,791	86	$177,226
Dickinson	182	$173,962	162	$195,896
Friendswood	175	$394,077	134	$398,702
League City	568	$282,891	521	$296,634
Pearland	592	$263,377	492	$300,359
Total Trade Area	**1,569**	**$271,355**	**1,395**	**$288,708**
Houston Metro Area	**23,607**	**$270,817**	**23,258**	**$274,064**

* Through October 2014.

Source: Hanley Wood Market Intelligence and Ricker|Cunningham.

Rental Supply

During the years 2013 and 2014, the Trade Area apartment market has performed slightly better than the Metro Area in terms of vacancy rates, yet exhibited slightly lower rental rates. For example, Trade Area vacancy rates in these years were 4.6% and 5.4%, respectively, compared to Metro Area rates of 5.2% and 5.9%. During this same period, average rents in the Trade Area were $930 and $909, compared to $1,051 and $1,102 in the Metro Area. Among all jurisdictions in the Houston market, the Bellaire and Montgomery County submarkets performed the best.

Residential Demand (all product categories)

Demand for residential units has been a product of population growth, whether through natural increase or net in-migration, for the past five decades. **Table 3-5** summarizes estimates of total demand over the next 10 years in the Trade Area, for ownership and rental units, at various price points, based on household growth within select income ranges. Whereas an individual'sability to pay for housing is largely a function of their household's income, actual unit counts are

Table 3-5: Trade Area Total Residential Demand

Residential Demand Analysis	Households	2014	140,700		
SH 35 Corridor Trade Area		2019	169,838	Annual Growth Rate	1.90%
10-yr Demand Estimates		2024	205,011		
	Household Growth (2014-24)		64,311	Adjust for 2nd homes, demolition, vacancy	1.0%
	Adjusted Unit Requirement		**64,954**	% Rental	28%

					Trade Area Demand from New Households (10-yr)			
Annual Household Income Range	**Approximate Rent Range**	**Supportable Home Price Range**	**Current Households in Income**	**New Households by Income**	**Total Units**	**Estimated % Rental**	**Total Rental Units**	**Total Ownership Units**
up to $15K	up to $375	up to $75K	7%	6%	**3,897**	90%	3,508	390
$15-25K	$375 - $625	$75 to $100K	6%	5%	**3,248**	85%	2,761	487
$25-35K	$625 - $875	$100 to $150K	8%	7%	**4,547**	75%	3,410	1,137
$35-50K	$875 - $1,000	$150 to $200K	10%	10%	**6,495**	50%	3,248	3,248
$50-75K	$1,000+	$200 to $250K	17%	18%	**11,692**	20%	2,338	9,353
$75-100K	$1,000+	$250 to $350K	14%	15%	**9,743**	12%	1,169	8,574
$100-150K	$1,000+	$350 to $500K	20%	21%	**13,640**	10%	1,364	12,276
$150K and up	$1,000+	$500K and up	18%	18%	**11,692**	5%	585	11,107
Totals			**100%**	**100%**	**64,954**	**28%**	**18,382**	**46,572**

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

derived based on the capacity to pay (calculated in the same manner financial lenders use). What has changed post-Recession, is the basis by which individuals and families choose to rent versus own their home. While renting was once a necessity among households at certain income levels, it is increasingly becoming a choice, particularly among young professionals who favor mobility over roots. Among other groups, renting is seen as an option that carries less investment risk, given the cyclical nature of residential markets. As presented, the Trade Area is projected to support an increase of approximately 65,000 new housing units over the next 10 years. Assuming the percent of rental to owner-occupied units increases slightly to 28%, regardless of current regulations, this would equate to demand for approximately 18,400 rental, and 46,600 ownership, units.

Among households in the Trade Area with incomes over $15,000, as presented in **Table 3-6,** based on considerations including historical trends, available inventory of land to accommodate development, capital reserves and lifestyle preferences, this will equate to approximately 34,600 detached, and 11,500 attached units, the latter including condominiums, townhome, rowhouse, lofts, and others. The balance of total demand will be for rental units.

Table 3-6: Trade Area Demand for Detached Ownership Units

Annual Household Income Range	Approximate Home Price Range	Trade Area For-Sale Demand (Incomes $15K+)	Estimated % Single Family Detached	Single Family Detached Demand
$15-25K	$75 to $100K	487	75%	365
$25-35K	$100 to $150K	1,137	75%	853
$35-50K	$150 to $200K	3,248	75%	2,436
$50-75K	$200 to $250K	9,353	75%	7,015
$75-100K	$250 to $350K	8,574	75%	6,430
$100-150K	$350 to $500K	12,276	75%	9,207
$150K and up	$500K and up	11,107	75%	8,330
Totals		**46,183**	**75%**	**34,637**

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

The

Table 3-7: Trade Area Demand for Attached Ownership Units

Annual Household Income Range	Approximate Home Price Range	Trade Area For-Sale Demand (Incomes $15K+)	Estimated % Single Family Attached	Single Family Attached Demand
$15-25K	$75 to $100K	487	25%	122
$25-35K	$100 to $150K	1,137	25%	284
$35-50K	$150 to $200K	3,248	25%	812
$50-75K	$200 to $250K	9,353	25%	2,338
$75-100K	$250 to $350K	8,574	25%	2,143
$100-150K	$350 to $500K	12,276	25%	3,069
$150K and up	$500K and up	11,107	25%	2,777
Totals		**46,183**	**25%**	**11,546**

Note: Assumes Townhome/Condo development stabilizes at 25% of all ownership demand

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

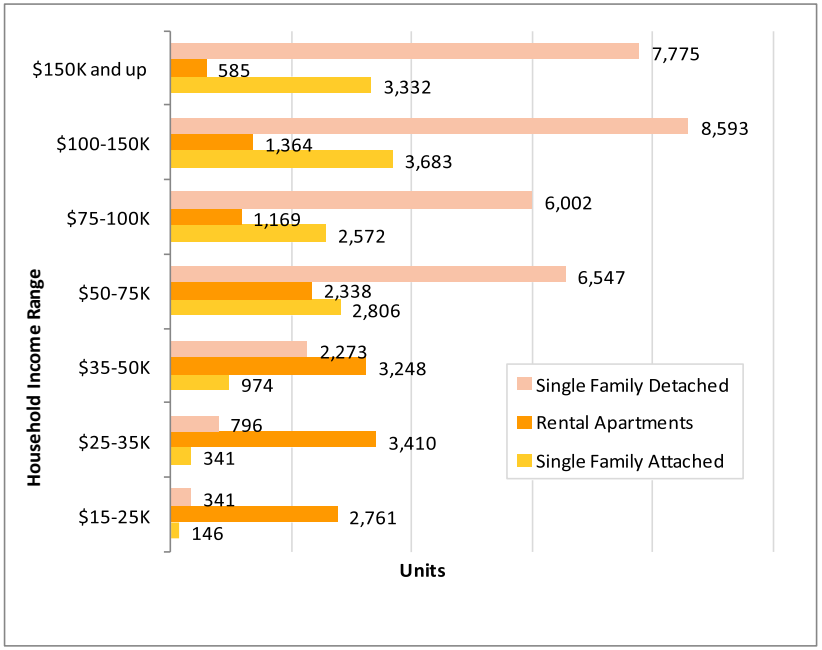
Further, the analysis suggests the majority of demand for single family detached units is for products priced over $350K, single family attached units between $200K and $500K, and rental units leased at monthly rates between $625 and $1,000. **Figure 3-10** illustrates the number of residential units, and type, by income range.

Table 3-8: Trade Area Demand for Rental

Annual Household Income Range	Approximate Rent Range	Rental Demand (Incomes $15K+)
$15-25K	$375 - $625	2,761
$25-35K	$625 - $875	3,410
$35-50K	$875 - $1,000	3,248
$50-75K	$1,000+	2,338
$75-100K	$1,000+	1,169
$100-150K	$1,000+	1,364
$150K and up	$1,000+	585
Totals		**14,875**

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

Figure 3-10: Trade Area Demand for Residential Units by Income Range



Retail

Factors that influence the boundaries of a retail trade area include several of those that inform residential trade areas, as well as: access and visibility from major thoroughfares; proximity of close-in residential neighborhoods; number, type and location of activity generators and their potential appeal among targeted markets; along with current market conditions, particularly among competitive projects; and, potential market voids. Significant retail concentrations located proximate to the Trade Area, including the Pearland Town Center and Center at Baybrook Mall, while not direct competition with retail establishments in the Study Area, serve as its eastern and western boundaries. **Figure 3-11** illustrates the Retail Trade Area boundaries, extending from Monroe and Beamer Roads on the east, Interstate 610 (I-610) on the north, Scott Street, Cullen Boulevard and FM 1128 on the west, and State Highway 6 (SH 6) on the south.

Principal competition for Trade Area retail uses includes commercial concentrations along corridors such as Interstate 610, the Sam Houston Tollway, and Broadway Street.

Figure 3-11: Retail Trade Area

Retail Supply

As shown in **Table 3-9**, the Pearland submarket represents approximately 42% of space in the Trade Area. As its largest submarket, Pearland is currently outperforming other jurisdictions in the Trade Area, as well as the Metro Area as a whole, at least in terms of vacancy rates, but rental rates, too, are at the high end of the range. **Figures 3-12 and 3-13,** illustrate the location of retail space in the Trade Area in two formats: by the size of space within established ranges; and, amount in comparative concentrations. As reflected, the greatest concentrations of space is located at the northern end of the Study Area, and through the Study Area along Broadway Street.

Table 3-9: Trade Area Retail Market Conditions

Retail Indicator	Pearland	Alvin	Friendswood	Houston	Manvel	Webster	Total Retail Trade Area	Houston Metro Area
All Retail								
# of Buildings	**299**	18	67	486	12	4	886	--
Rentable SF	**3,963,381**	521,538	1,157,788	3,783,669	59,674	58,616	9,544,666	268,171,181
Vacancy Rate	**5.0%**	1.2%	7.1%	5.1%	5.0%	14.5%	5.1%	6.2%
Rental Rate/SF Range	**$10.00 to $26.00**	$8.00 to $11.00	$12.00 to $27.00	$9.00 to $28.00	$8.00 to $15.00	$10.00 to $20.00	$8.00 to $28.00	$9.00 to $40.00

Source: CoStar Group and Ricker | Cunningham.

Retail Demand (from all sources)

Demand for commercial retail, service and restaurant space in a trade area is based on retail expenditures from two principal sources: expenditures by trade area residents outside the area, otherwise referred to as "leakage"; and, expenditures among new households in the trade area. The methodology used is to estimate household retail expenditures within several major retail categories, and compare them to actual retail sales completed in the same geography, the difference being either a retail "surplus" (supply exceeds demand) or deficit (demand exceeds supply).

As **Table 3-10** shows, there is a loss of nearly $350 million in sales by Trade Area residents, across virtually every retail category, with the exception of sporting goods, hobby, books and music. Where these sales to be recaptured, the Trade Area could support an additional 996,000 square feet of space.

Figure 3-12: Trade Area Retail Supply

Figure 3-13: Trade Area Retail Supply (Heat Map)

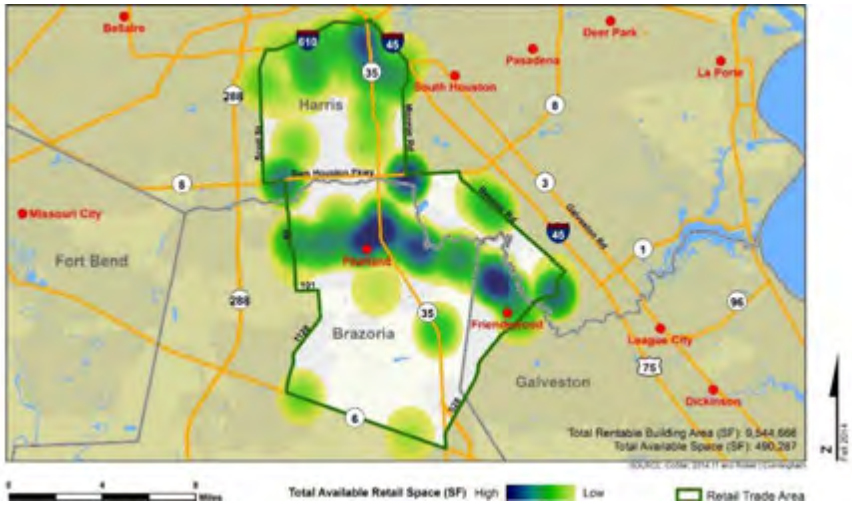


Table 3-10: Trade Area Retail Demand from Retail Leakage and Household Growth

Retail Category	Estimated 2014 Household Retail Demand	Estimated 2014 Retail Sales (Supply)	Estimated 2014 Retail Void (Leakage)	Estimated Retail Sales/SF	New Retail Space Needed to Recapture Void/Leakage	Annual Household Growth Rate (2014-2024)	Net New Household Retail Demand	New Retail Space Needed for Household Growth
Furniture & Home Furnishings	$64,846,417	$43,073,059	$21,773,358	$275	79,176	1.80%	$12,664,659	46,053
Electronics & Appliance	$59,025,751	$34,994,619	$24,031,132	$300	80,104	1.80%	$11,527,869	38,426
Bldg Materials, Garden Equipment	$323,384,303	$293,328,198	$30,056,105	$375	80,150	1.80%	$63,157,720	168,421
Food & Beverage (Grocery)	$393,567,435	$380,373,037	$13,194,398	$450	29,321	1.80%	$76,864,652	170,810
Health & Personal Care	$187,283,751	$138,478,093	$48,805,658	$400	122,014	1.80%	$36,576,960	91,442
Clothing and Accessories	$159,832,653	$123,997,909	$35,834,744	$300	119,449	1.80%	$31,215,696	104,052
Sporting Goods, Hobby, Book, Music	$63,335,134	$195,905,088	$0	$300	0	1.80%	$12,369,502	41,232
General Merchandise	$399,576,377	$343,119,512	$56,456,865	$375	150,552	1.80%	$78,038,213	208,102
Miscellaneous Stores	$81,734,250	$39,558,838	$42,175,412	$275	153,365	1.80%	$15,962,893	58,047
Foodservice & Drinking Places	$334,953,314	$257,523,204	$77,430,110	$425	182,188	1.80%	$65,417,176	153,923
Total	**$2,067,539,386**	**$1,850,351,557**	**$349,757,783**		**996,319**		**$403,795,339**	**1,080,508**

Source: Claritas, Inc.; Urban Land Institute; and Ricker | Cunningham.

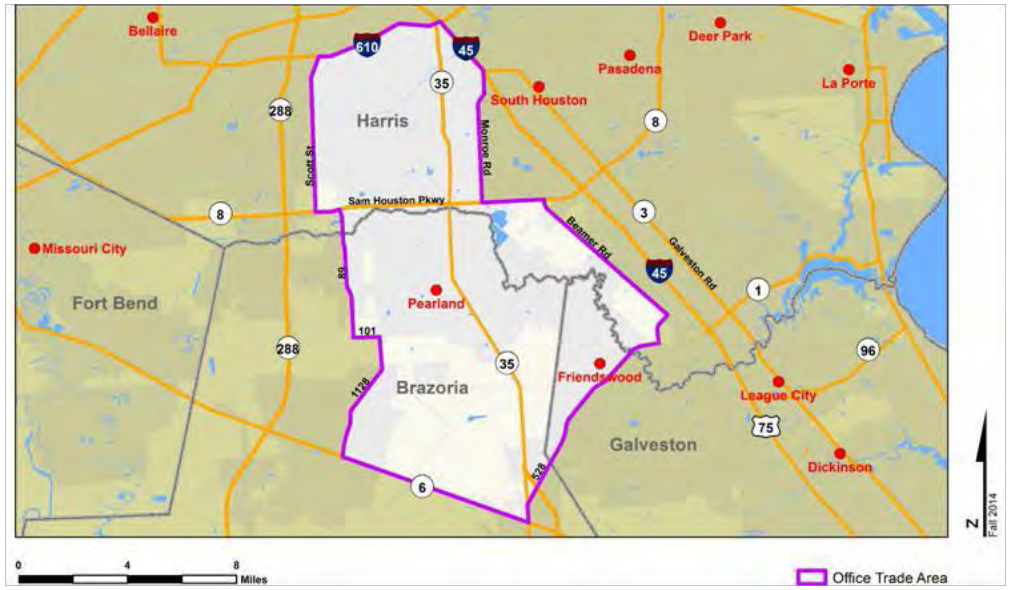
Retail Demand (New Household Growth)

Projected demand from new household formations over the next ten years is determined by multiplying growth in households with that portion of household income typically spent on general retail and service purchases. As shown in **Table 3-10**, an additional $404 million in retail spending is anticipated from new household growth, supporting approximately 1.1 million square feet. Combining projected demand from "leakage" with demand from new household formation, results in total retail demand for approximately 2.1 million square feet of retail space in the Trade Area over the next 10 years.

Office

Factors that influence the boundaries of an office trade area include several conditions and perceptions such as: the presence or lack of access and visibility from major thoroughfares; concentrations of other employment uses or businesses in close proximity; number and type of activity generators; and, the competitive inventory and / or potential market voids. Newer office concentrations proximate to the Trade Area include Pearland Town Center and the Shadow Creek Business Center to the west. As reflected in **Figure 3-12**, and similar to the Retail Trade Area, the Office Trade Area extends from Monroe Road and Beamer Road on the east, Interstate 610 on the north, Scott Street, Cullen Boulevard and FM 1128 on the west, and State Highway 6 on the south. The primary competition for Trade Area office uses includes commercial concentrations along corridors such as Interstate 610, State Highway 35 (north the Study Area), and Broadway Street.

Figure 3-12: Office Trade Area



Office Supply

As shown in **Table 3-11**, the Pearland submarket represents approximately 35% of overall Trade Area space. As one of the largest submarkets in the Trade Area, Pearland is currently outperforming the overall Houston Metro Area in terms of vacancy and has rental rates at the higher end of the range in the Trade Area.

Figures 3-13 and 3-14 illustrate the location of office space in the Trade Area in two formats: 1) by the size of the space within established ranges; and 2) by the amount of space in comparative concentrations. As reflected, the greatest concentrations of office space are located at the northeastern portion of the Study Area and through the Study Area along Broadway.

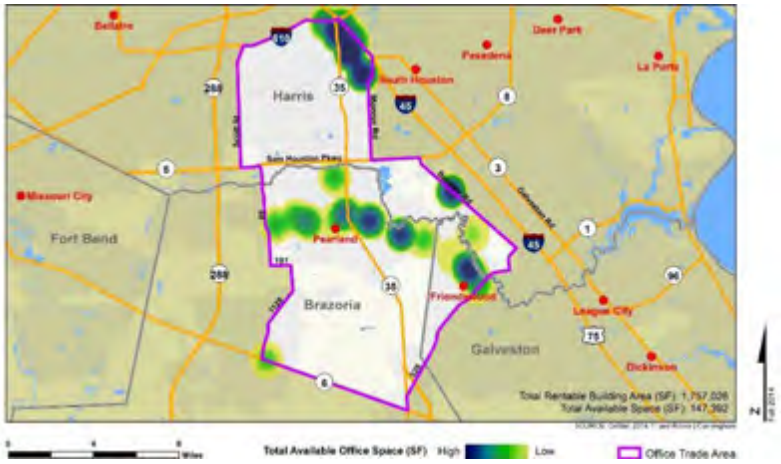
Table 3-11: Trade Area Office Market Conditions

	SH 35 Corridor Trade Area						
Office Indicator	**Pearland**	**Alvin**	**Friendswood**	**Houston**	**Manvel**	**Total Office Trade Area**	**Houston Metro Area**
All Office							
# of Buildings	**89**	5	44	81	1	220	6,391
Rentable SF	**610,837**	31,706	374,531	733,231	6,721	1,757,026	276,400,987
Vacancy Rate	**7.0%**	0.0%	4.9%	11.6%	18.1%	8.4%	11.2%
Rental Rate/SF Range	**$12.00 to $25.00**	--	$15.00 to $29.00	$12.00 to $19.00	$10.00 to $12.00	$10.00 to $29.00	$15.00 to $33.00

Source: CoStar Group and Ricker | Cunningham.

Figure 3-13: Trade Area Office Supply

Figure 3-14: Trade Area Office Supply (Heat Map)



Office Demand (Total)

The potential for office space in a trade area is derived from two primary sources -- expansion of existing industry and the relocation of new companies into the trade area. As **Table 3-12** shows, employment projections by industry classification in the Trade Area were used to estimate demand for employment space over the next 10 years. At an overall annual rate of 1.9% sustained employment growth, the Trade Area should add approximately 32,900 new jobs over the next 10 years. Whereas differing levels of office space are needed among different industries, the analysis here suggests support for approximately 2.0 million square feet of new office space over the next 10 years. The Study Area should be able to capture a reasonable share of this office demand, particularly for local service and small business space.

Table 3-12: Trade Area Total Office Demand

Industry Category	Estimated 2014 Employees	Estimated Growth Rate 2014-2024	Estimated 2024 Employees	Estimated New Employees	Estimated % in Office Space	Estimated Net New Office Employees	SF per Office Employee	Estimated 10-yr Office Demand
Natural Resources, Mining and Construction	14,691	2.20%	18,262	3,571	40%	1,429	200	285,714
Manufacturing	11,834	1.10%	13,202	1,368	5%	68	200	13,681
Trade, Transportation and Utilities	29,309	1.30%	33,350	4,041	10%	404	200	80,819
Information	1,666	0.60%	1,769	103	80%	82	200	16,435
Financial Activities	7,568	1.30%	8,611	1,043	90%	939	200	187,808
Professional and Business Services	20,582	2.00%	25,089	4,507	80%	3,606	200	721,174
Educational and Health Services	34,643	2.70%	45,219	10,576	20%	2,115	200	423,034
Leisure and Hospitality	13,769	2.40%	17,454	3,685	10%	369	200	73,706
Other Services (includes Self-Employed)	18,460	1.50%	21,423	2,964	30%	889	200	177,813
Government	6,679	1.50%	7,751	1,072	30%	322	200	64,334
Totals	**159,200**	**1.89%**	**192,131**	**32,931**	**31%**	**10,223**	**200**	**2,044,518**

Source: Texas Workforce Commission; HGAC; and Ricker | Cunningham.

Industrial

Factors that influence the boundaries of an industrial trade area include several conditions and perceptions such as: the presence or lack of access and visibility from major thoroughfares; concentrations of other employment uses or businesses in close proximity; number and type of activity generators; and, the competitive inventory and / or potential market voids. While there are concentrations of industrial space throughout the Trade Area, the newest buildings are located at the eastern edge of the Trade Area, along Interstate 45. As reflected in **Figure 3- 14**, the Industrial Trade Area extends from Interstate 45 and State Highway 3 on the east, the Southwest Freeway on the north, State Highway 288 on the west, and State Highway 6 on the south. The primary competition for Trade Area industrial uses includes concentrations along corridors such as Interstates 45 and 610, State Highway 35 (through the Study Area), and State Highway 3.

Figure 3-14: Industrial Trade Area

Industrial Supply

As shown in **Table 3-13**, the Pearland submarket represents approximately 9% of overall Trade Area space. As the second largest submarket in the Trade Area, Pearland is currently outperforming the rest of the Trade Area and the overall Houston Metro Area in terms of vacancy and has rental rates at the higher end of the range. **Figures 3-15 and 3-16** illustrate the location of industrial space in the Trade Area in two formats: 1) by the size of the space within established ranges; and 2) by the amount of space in comparative concentrations. As reflected, the greatest concentrations of industrial space are located north and east of the Study Area.

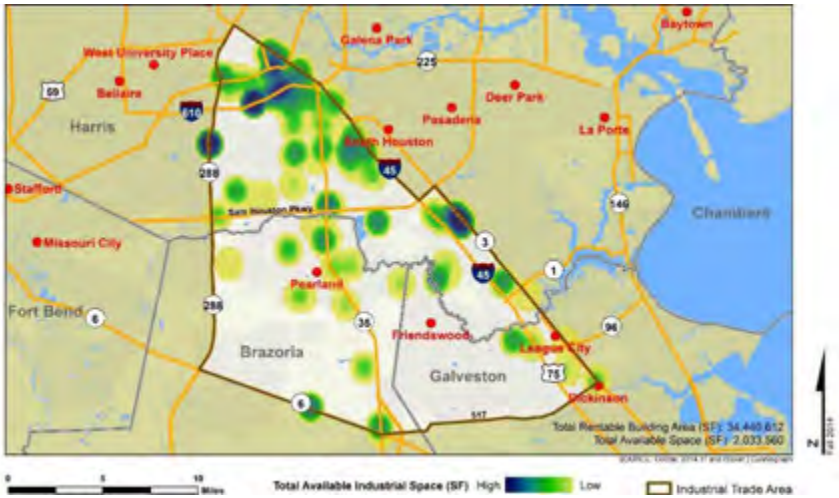
Table 3-13: Trade Area Industrial Market Conditions

	SH 35 Corridor Trade Area								
Retail Indicator	**Pearland**	**Alvin**	**Dickinson**	**Friendswood**	**Houston**	**League City**	**Manvel**	**Webster**	**Houston Metro Area**
All Retail									
# of Buildings	**200**	31	14	23	1,106	35	7	55	--
Rentable SF	**3,190,099**	676,710	122,260	266,592	28,649,683	400,554	50,212	999,955	491,720,505
Vacancy Rate	**3.1%**	15.5%	8.4%	16.8%	5.4%	10.5%	0.0%	17.0%	5.5%
Rental Rate/SF Range	**$7.00 to $14.00**	$5.00 to $7.00	--	$9.00 to $14.00	$4.00 to $12.00	$9.00 to $15.00	--	$5.00 to $9.00	$4.00 to $11.00

Source: CoStar Group and Ricker | Cunningham.

Figure 3-15: Trade Area Industrial Market Supply

Figure 3-16: Trade Area Industrial Supply (Heat Map)



Industrial Demand (Total)

The potential for industrial space in a trade area is derived from two primary sources -- expansion of existing industry and the relocation of new companies into the trade area. As **Table 3-14** shows, employment projections by industry classification in the Trade Area were used to estimate demand for employment space over the next 10 years. At an overall annual rate of 1.9% sustained employment growth, the Trade Area should add approximately 32,900 new jobs over the next 10 years. Whereas differing levels of industrial space are needed among different industries, the analysis here suggests support for approximately 3.1 million square feet of new industrial space over the next 10 years. The Study Area should be able to capture a reasonable share of this industrial demand and should be able to support both larger- and smaller-scale industrial users.

Table 3-14: Trade Area Total Industrial Demand

Industry Category	Estimated 2014 Employees	Estimated Growth Rate 2014-2024	Estimated 2024 Employees	Estimated New Employees	Estimated % in Industrial Space	Estimated Net New Industrial Employees	SF per Industrial Employee	Estimated 10-yr Industrial Demand
Natural Resources, Mining and Construction	9,975	2.30%	12,522	2,547	20%	509	500	254,694
Manufacturing	8,036	1.20%	9,054	1,018	80%	814	500	407,217
Trade, Transportation and Utilities	19,901	1.60%	23,325	3,424	90%	3,081	500	1,540,585
Information	1,131	0.60%	1,201	70	20%	14	500	6,975
Financial Activities	5,139	1.58%	6,011	872	5%	44	500	21,803
Professional and Business Services	13,976	2.30%	17,544	3,568	10%	357	500	178,416
Educational and Health Services	23,523	3.10%	31,921	8,398	10%	840	500	419,914
Leisure and Hospitality	9,350	2.60%	12,085	2,736	5%	137	500	68,398
Other Services (includes Self-Employed)	12,535	1.70%	14,836	2,302	10%	230	500	115,075
Government	4,535	1.70%	5,368	833	20%	167	500	83,271
Totals	**108,100**	**2.16%**	**133,867**	**25,767**	**24%**	**6,193**	**500**	**3,096,348**

Source: Texas Workforce Commission; HGAC; and Ricker | Cunningham.

Target Industry Analysis

In addition to identification of potential land uses and product types with potential for investment in the Study Area, this task involved the identification of targeted industries which might find conditions in the Corridor favorable. The Target Industry Analysis provides direction for future marketing efforts and assists in defining appropriate infrastructure improvements. By focusing the land use program on existing industries that may expand, and new industries that will potentially seek relocation and expansion opportunities in the market, PEDC and the City will make the most efficient use of available resources and more effectively position itself for investment.

Business siting location decisions tend to place the greatest emphasis on market, operational, and personal linkages with sites that are ultimately selected. Since many siting projects are initiated because of dissatisfaction with operating conditions in an existing location rather than the need for additional space, this fact lends credibility to a geographic targeting approach. The results of the target industry analysis completed here includes target industries and business groups that will be attracted to the competitive advantages of the southern Houston Metro Area and Pearland markets, and that represent promising development opportunities for the Study Area.

Industries were selected based on their growth performance, since business expansion and new market development are two of the most common reasons underlying the need for additional production or service capacity. Among those that survived the growth analysis, they were evaluated further to determine their existing level of investment in the region, thereby providing a location quotient by which other industries could be measured. Those that survived this screen, were further analyzed for their viability as a long-term investment opportunity. The industries and business groups that have been identified as having potential for local investment reflect the competitive advantages of the regional market area include: Electrical Equipment Manufacturing, Chemical Manufacturing, Machinery Manufacturing, Fabricated Metals Manufacturing, Plastics and Rubber Manufacturing, Resins Manufacturing, Electronic Instrument Manufacturing, Communications Equipment Manufacturing, Computer Manufacturing, Petroleum and Coal Manufacturing, and Beverage Manufacturing. These industry groups suggest potential for future growth in sales and employment, regionally and nationally, and are considered compatible with the local market. Descriptions of priority industry targets are presented in **Appendix H**.

Market Share

A number of factors influence an area's ability to capture investment dollars. These can be categorized as: top down considerations; bottom up considerations; external considerations; and others. Some the public sector (or stakeholder entities) can control, and others they cannot.

Top-Down Considerations

- Demand for certain land uses
- Demographic and psychographic conditions which support certain product types
- Untapped market niches (product voids)
- Competitive projects (proposed, planned and under construction)

Bottom-Up Considerations

- Physical capacity of the community / individual parcels to accommodate market-supported product types – fewer physical constraints
- Vision and desire for certain uses and product types
- Size of parcels, parcel ownership (public and private), owner investment objectives
- Zoning (and other regulations) and presence of easements

External Considerations

- Delivery system – who are the area's builders / developers, what are they willing and able to offer
- Financing markets – availability of capital with reasonable funding terms for certain product types
- Forces beyond those currently in the market (e.g., migration to Metro Area by persons who do not represent the existing profile of residents and consumers)

Other Considerations

- Available resources to position and promote investment in the community
- Public support for a long-term vision

Based on the market analysis summarized herein, the land uses summarized in **Table 3-15** are supportable within the Study Area. Ideally, a mix of uses will be configured in a synergistic manner that encourages an integration of activities and product types. When effectively integrated, these multi-use developments yield higher values for a more sustained period of time. Rather than addressing the needs and interests of single markets, collectively, the land uses tend to become destinations and draw on the interest of individuals beyond their respective trade areas. Whereas the Study Area has several property owners, and each one maintains individual entitlements, achieving an appropriate balance of uses will be highly dependent on the partner entities' efforts and their willingness and ability to employ a combination of policies, incentives and regulations to inform and guide investment. Beyond its uses, successful development of the Study Area will depend on a commitment to quality over quantity as reflected in a unified program of signs, gathering places, and landscaped features; appropriate transitions between uses; access to, yet preservation of natural amenities; and, improvements of a suitable scale.

Table 3-15: SH 35 Corridor Potential 10-Year Market Share

		SH 35 Corridor Study Area			
	Trade Area Demand	Market Share		Absorption (Units/SF)	
Land Use Type	(10 Year)	Low	High	Low	High
Residential (Units):					
Single Family Detached	32,328	2%	3%	647	970
Single Family Attached	13,855	8%	12%	1,108	1,663
Rental Apartments	14,875	8%	12%	1,190	1,785
Non-Residential (SF):					
Retail	2,076,827	15%	20%	311,524	415,365
Office	2,044,518	15%	20%	306,678	408,904
Industrial	3,096,348	20%	25%	619,270	774,087

Source: Ricker|Cunningham.

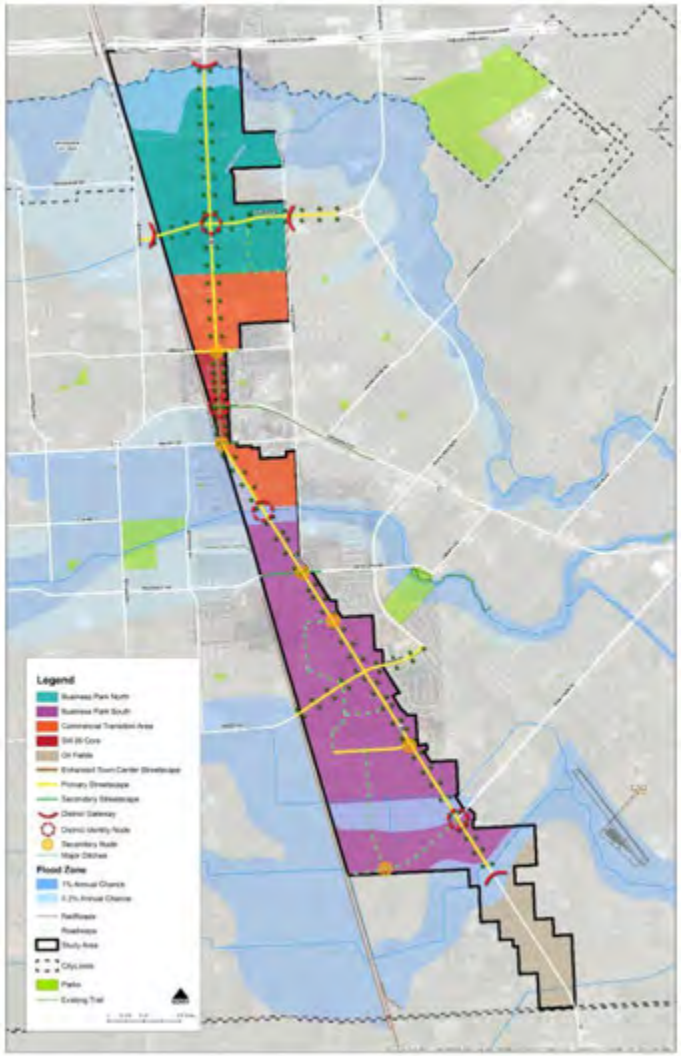
The Study Area is well-positioned to compete for market share with attainable capture rates ranging from 2% to 25% depending on the product type. Actual investment levels will be dictated by numerous factors including – the physical capacity of the area to accommodate development, desires of property owners, community vision, and effectiveness of the City's ability to position itself and its assets and "ready the environment" for investment.

Section 4:

Framework Plan and Catalyst Concepts

The experience of other communities has shown that successful redevelopment initiatives effectively leverage existing land uses, public improvements, and community amenities, both existing and planned, in a manner that creates an identifiable "address" or environment for private investment. With this goal in mind, a graphic illustration of the desired physical framework within which catalyzing investment in the Study Area will occur, was prepared and is presented here as **Figure 4-1**. With input from stakeholders, City staff and members of the community, the SH 35 Framework Strategy was developed depicting desired elements of the Corridor in its redeveloped form. It should be used to inform priority initiatives and capital investments, as well as, inform policy and incentive decisions. Presented in the following discussion is a description of key components of this Framework Plan, followed by more detailed descriptions and analyses of potential catalyzing investment projects.

Figure 4-1: SH 35 Redevelopment Framework Plan



Framework Plan Goals

The SH 35 Corridor Framework Plan identifies the location of potential public improvements and the boundaries of specific districts -- Business Park North, Business Park South, Commercial Transition and SH 35 Core -- where certain land uses and product types are desired. Preferred uses are consistent with stakeholder preferences (as provided by members of the Advisory Committee), as well as findings from market and physical analyses completed in the context of the planning process. The following discussion provides a characterization of Corridor-wide and segment-specific physical infrastructure enhancements.

The SH 35 Corridor, has historically and remains a highly auto-oriented corridor, lacking a consistent program of public improvements, and building improvements covering a wide range of quality levels. Many of the Framework Plans elements are intended to provide amenities and enhancements to the public realm that will unify uses within its boundaries, and connect different centers of activity. In addition to enhanced non-vehicular mobility, improvements to its aesthetic appeal are also principal objectives of this Strategy. Landscaping improvements are intended to enhance its visual appearance, while also balancing soft and hardscapes within its boundaries. Other recommended investments include an enhanced Old Townsite streetscape, primary and secondary streetscapes, and district gateway and identify nodes improvements. Existing conditions reflected including major ditches, flood zones, the rail corridor, and municipal parks.

Catalyst Investment

As explained earlier, a catalyst concept is *a development and / or redevelopment project with the potential to have a positive economic ripple effect on properties within an area of influence*. Within the SH 35 Study Area, several projects were identified and determined to have the potential to leverage private investment despite certain development challenges. Analyses completed as part of the vetting process included:

- understanding the physical capacity of specific sites and the Corridor as a whole to competitively accommodate the concepts
- determining if there was sufficient local or regional market support for specific components
- testing their financial feasibility, and in so doing quantify the magnitude of any economic gap
- identifying other barriers to development so that actions could be implemented to mitigate or overcome them
- ultimately, prioritizing public initiatives that would effectively "ready the environment" within the Corridor for investment

It is important to note that among the five projects identified and described below, they include both public improvement and private development projects. In addition, not all of them need occur in the location described. Among the non-site specific concepts, these are referred to as floating concepts whereas they have the potential for application in multiple locations.

Elements of Catalyzing Concepts

In addition to possessing the potential to leverage private investment, the catalyst projects identified here were considered to have the ability to "prove up" support for uses and products that may not as yet exist in the market today. It is widely concluded that just because a specific land use or product type if not part of the available inventory, there is limited or no support from trade area residents and consumers. While in some instances this may be the case, more often than not, their absence is due to the inexperience or unwillingness of builders and developers, or limiting regulations. Efforts such as this one can provide the market reconnaissance and financial analyses necessary to raise awareness among these critical audiences. Similarly, it can educate public officials about the inherent risks associated with pioneering new projects, and essential role they can play in minimizing uncertainty and risk.

The five project concepts identified as having either near-term development potential, or the ability to mitigate adverse conditions and in so doing leverage near-term development, include the following:

Catalyst No. 1 Northern Gateway and Corridor Improvements

Catalyst No. 2 Business Park North

Catalyst No. 3 3a. Restaurant and Entertainment Destination

3b. Main Street Buildings and Urban Environment

Catalyst No. 4 4a. Old Town Esplanade

4b. New Community on former Alvin Community College Campus

Catalyst No. 5 Business Park South

Several factors were used to identify locations within the Corridor that presented appropriate host-environments for near-term investment. Factors considered included:

- property ownership
- financial basis

- ratio of physical improvement to land value
- trend in property appreciation or depreciation
- proximity to existing or planned public improvements
- potential impact of different concepts on surrounding land uses
- capacity of existing infrastructure

Concept development programs were informed by the following considerations which, similar to the Framework elements, emerged from an understanding of existing conditions along with stakeholder input. Factors considered included:

- presence of an obstacle deemed significant enough (real or perceived) to dilute or negate the Corridor's competitive advantages
- existing property ownership interest in participating in furthering key components
- magnitude of the financial gap (if any) between project costs and revenues
- proximity of available sites to existing or planned improvements or centers of activity
- knowledge gained during analysis of the market and its demographic and psychographic profile

All of these considerations are represented in the following list of catalyst criteria which were developed with guidance from members of the Advisory Committee to this project.

Catalyst Criteria

- Potential to support a market opportunity (physical capacity, location, access, visibility)
- Opportunity to strengthen and / or link existing districts or activity center
- Ability to leverage existing or planned investment
- Surrounded by a supportive physical environment (presence of parks, open space, etc.)
- Favorable property ownership patterns (willing owner or seller, public or private)
- Compatible with policy and regulating documents (or if not, possessing public support)

- Availability of resources (or incentives) to address challenges
- Presence of supportive entities such as adjacent land owners or at least few opponents

Catalyst Projects

Each catalyst project and its components are described in more detail below. Whereas each one is prototypical, since no commitments of financing or development have been made, they should be interpreted with a certain level of flexibility. To this end, and as described, they are not intended to be prescriptive, but rather informative. Supporting recommendations regarding how to advance them in whole or in part, presented in the following section of this report, advises that PEDC and the City lead efforts to promote their potential. Where municipal regulations are inconsistent with the concept, it is assumed the City will either work with existing owners to amend current requirements or expedite requests of exceptions. Financial resources for private development projects are assumed to include a combination of traditional private sources, available municipal mechanisms (380 agreements, TIF) and economic development dollars.

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Purpose

Offer a business location for office and industrial users seeking a high quality setting offering supportive infrastructure and amenities and access to points north and south of Pearland and Houston Metropolitan Area.

Challenges

- Existing development on both the east and west sides of SH 35 at north end of corridor do not reflect desired uses, character or quality
- Recent TxDOT improvements are marginal in terms of aesthetic appeal and are without function in some locations

- Presence of overhead utilities
- Location and capacity of utilities vary by location
- Existence of pipelines and drainageways

Objectives

- Create identifiable "address" in the region
- Introduce business park improvements (trails, signage, creek, bridge, intersection)
- Replace hardscapes with softscapes in an effort improve appearance and "cool environment"
- Extend the Corridor's "gateway area" beyond the existing monument sign north of Clear Creek to Knapp Road and overcome challenge created by distance to municipal boundary
- Three options for landscape improvements with differing levels of complexity (presented in order from least aggressive to most, and correspondingly, least expensive and impactful to most):
  - establish an ornamental fence along the flea market property line and saw-cut existing concrete drainage structure to establish vines
  - remove and fill concrete drainage structure and establish an ornamental wall and shrub plantings
  - negotiate for frontage within select parcels located adjacent to the SH 35 Corridor in order to accommodate a berm or ornamental wall and shrubs
- Densify landscape (grass) area in front of existing fence with ornamental shrubs and trees (natives) – utilize temporary irrigation system to establish plants

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Existing Conditions

Proposed Improvements – Northern Gateway

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Proposed Improvements – South of Entry Drive (example images)

Catalyst No. 1 - Northern Gateway and Corridor Improvements (Intersection Imagery)

Development Economic Analysis

Public investment for this catalyst project could include both corridor and streetscape improvements. Phased streetscape improvements could begin with fencing and native plantings and then be expanded to include screening walls, utility adjustments, street excavation, and easement purchases. **Table 4-1** illustrates the economic/fiscal impact of these improvements.

Modular Signage Concept for SH 35 & McHard Rd. Intersection:

Modular Signage Concept for SH 35 & Broadway St. Intersection:

Identity signage concept for District Identity Nodes. Materials adapted from the Pearland Beautification Strategy Study. Signage shown within a context of native plantings: coastal grasses and ornamental trees per design concepts above.

Custom Designed Pear metalwork

Accent lighting to highlight variations in materials

Brushed aluminum panel with green lettering and cut, etched stone base

City of Pearland Monument Sign Concept

Table 4-1: Catalyst No. 1: Economic/Fiscal Impact

Catalyst Project Program		
		Linear Feet
Roadway Improvements		1,300
Streetscape Improvements (Option C)		1,200
Estimated Project Cost/Value		
		Total Cost
Roadway Improvements		$1,200,000
Streetscape Improvements (Option C)		$250,000
Estimated Property Value Increase		
Property Frontage (Linear Ft)	2,400	
Property Depth (Linear Ft)	500	
Impacted Property Sq Ft		1,200,000
Current Property Market Value	$5.00	$6,000,000
Increase in Market Value (10%)	**10%**	**$600,000**
Annual Property Tax Revenue Increase	**0.7121**	**$4,273**
Increase in Market Value (20%)	**20%**	**$1,200,000**
Annual Property Tax Revenue Increase	**0.7121**	**$8,545**

Source: Kimley Horn and Ricker|Cunningham.

As shown, approximately $600,000 to $1.2 million in increased development value could be generated by this catalyst project, resulting in $4,300 to $8,500 in new annual tax revenues.

Development Strategy

PEDC and City complete the following priority capital projects -- gateway enhancements, wayfinding (signage), and softscapes where hardscapes currently exist *so that* individual parcels within the Corridor appear to be part of a consistently designed and maintained environment; natural "screens" adjacent to the right-of-way *so that* the area's visual appearance is improved; design pavers and enhanced landscaping at intersections and other significant nodes where private investment is eminent *so that* public investment is leveraged; and, connections to local and regional trail systems so that employees can arrive via multiple forms of mobility.

Phasing and Timing

Assuming that private investment follows public commitment, complete improvements within the following categories in the order presented or as dollars are available for specific project components –

Phase No. 1 - northern "gateway" and "screening" improvements
Phase No. 2 - intersection and corridor improvements in locations that most effectively leverage private investment
Phase No. 3 - aesthetics and amenities including trail connections, bike paths, signage, landscaping

Property Assemblage, Positioning and Disposition

Educate property owners in the Corridor about the vision for an improved physical environment and discuss options for *PEDC to* proactively locate, install, and maintain enhanced landscaping and other public spaces -- *if property owners are willing to* dedicate an easement to either PEDC or the City, transfer ownership and / or accept a variance where current easements exist -- where rights-of-way bifurcate multiple jurisdictions, solicit *public entity interest* in participating in a cooperative agreement and / or being part of an overlay district that solidifies anticipated improvement levels and their location.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

Catalyst No. 2: Business Park North

Purpose

"Ready" or position properties (both private and public) for investment by completing due diligence research efforts on behalf of private sector property owners by identifying and eliminating barriers to investment, and streamlining the timeframe between site acquisition and / or completion of vertical improvements.

Challenges

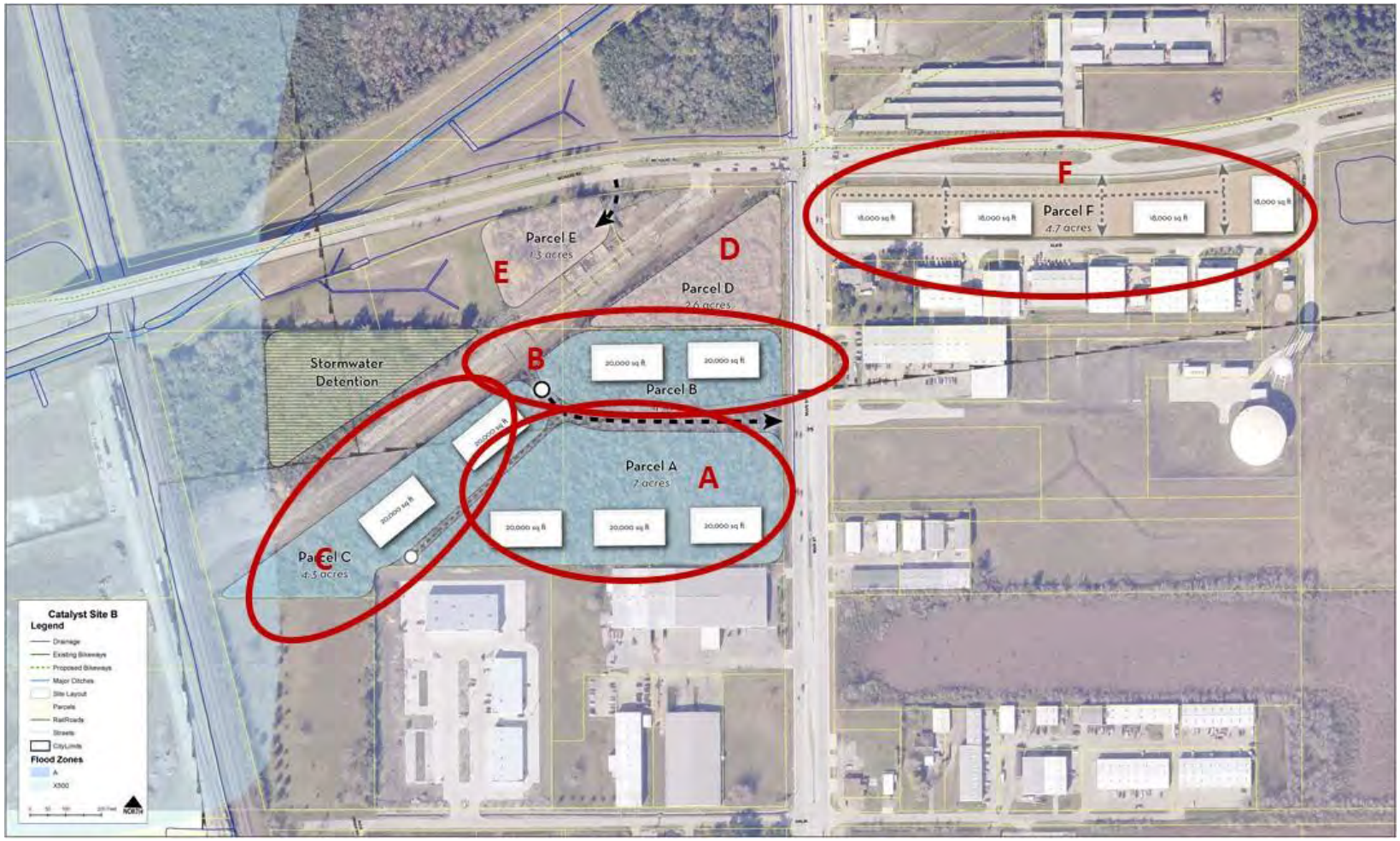
- Presence of floodplain constraints and major pipeline easement
- Location of utilities varies by location (along eastern or western edge of 35)
- Environmental contamination of select parcels
- Overall appearance of corridor (lack of consistency, no unifying design elements)
- Zoning on select parcels that is inconsistent with the expressed vision

Objectives

- New road off SH35 to serve southwest quadrant
- Stormwater detention improvement is located north of the pipeline easement and adjacent to the floodplain -- serving the entire site
- Vehicular access would need to be made available from McHard Road and Alice Street (for Parcel F) (see illustration below)
- Development would require removal of abandoned infrastructure

Catalyst No. 2: Business Park North

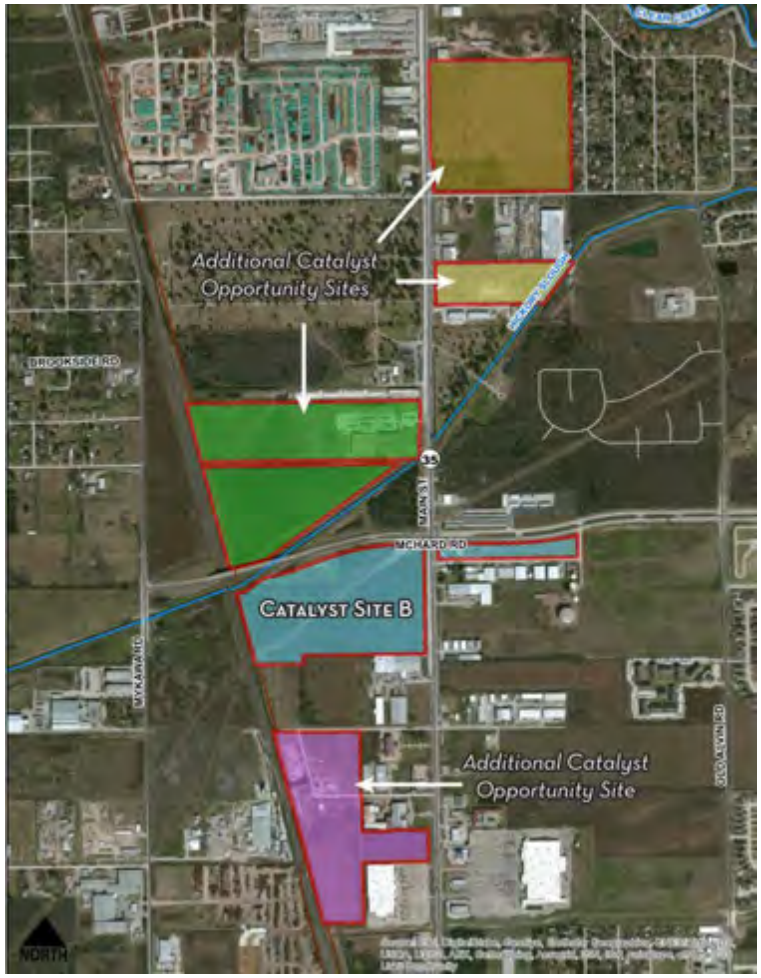
Southwest Quadrant (McHard and SH 35)



Catalyst No. 2: Business Park North

Proposed Improvements – South of Entry Drive (example images)

Possible Locations



Catalyst No. 2: Business Park North

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-2** summarizes the economic/fiscal impact of this private project.

Table 4-2: Catalyst No. 2: Economic/Fiscal Impact

Development Program		
	Units	**Square Feet**
Retail/Restaurant		12,000
Flex/Employment		230,000
Residential (Rental)	0	0
Residential (For-Sale)	0	0
Gross Floor Area		242,000
Project Land Area		1,041,084
Floor Area Ratio		23%
Development Pro Forma Summary		
Total Project Value		$28,373,733
Total Project Cost		$27,875,626
Project Margin/"Gap"		$498,108
% Project Margin/"Gap"		2%
Potential Tax Revenues		
Taxable Development Value		$24,800,000
Annual Property Tax Revenues		$176,601
Annual Sales Tax Revenues		$45,000
Potential New Residents		0
Potential New Employees		605

As shown, approximately $24.8 million in increased development value could be generated by this catalyst project, resulting in over $221,000 in new annual tax revenues. In addition, the project could generate 605 new jobs. Development of the project would result in a surplus estimated at $498,000, or 2% of project costs. Because this analysis includes developer profit of 10%, this catalyst represents a "doable" redevelopment project.

Development Strategy

Establish a policy whereby PEDC and the City participate with property owners in funding the construction of infrastructure improvements in an effort to position properties for near-term investment, acknowledging that eligible parcels will meet specified criteria such as -- vacant for an extended period of time, presenting potential for job creation (primary), ability to advance key economic development goals, and others.

Phasing and Timing

The timing of improvements within private properties will be dictated by several factors (some outside PEDC's control), among them:

- interests and resources of private property owners
- resources of PEDC and other advocacy entities who may participate in funding improvements (proactive efforts)
- number and condition of available properties
- number of meritorious parcels (see criteria) who request assistance (reactive efforts)
- Proactive efforts - priority properties for targeted investment (either publicly- or privately-held) will have the fewest obstacles (barriers) to investment and be in the most strategic locations based on meritorious measures such as:
  - at or near an intersection
  - uninhibited access to the Corridor
  - visibility from either a primary or secondary roadway
  - adequate in size and shape to accommodate a marketable improvement
- Reactive efforts - timing will be dictated by requests for assistance by property owners with strategically-located properties and a meritorious development concept

Property Assemblage, Positioning and Disposition

PEDC will consider the acquisition of private properties made available by existing owners in an effort to entitle (if necessary), improve and position (if deemed feasible), and sell (dispose of) to an individual or entity willing to advance the vision and objectives defined herein -- priority properties should include those within the identified catalyst areas and other locations where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

Use existing resources of PEDC and the City to complete capital improvements, including any capital reserves or economic development funds.

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination

Purpose - Restaurant and Entertainment Destination

Establish a destination for residents and visitors with commercial venues unique to the area and its "gritty character" and compatible with existing uses that correspondingly provide an environment to incubate local businesses and grow Old Town's dining and shopping offerings.

Challenges

- Railway impacts – noise, smell, others – mitigation
- Multiple property owners
- Zoning on select parcels that is inconsistent with the expressed vision
- “Dry” restrictions on the sale of alcohol

Objectives

- Potential concept - beer garden / restaurant venues
- Improvements – hosting both public spaces and private operators (possible location for food trucks)
- Either reuse or replacement of existing industrial buildings along railroad track to accommodate destination restaurant / entertainment venue

  ---
- New pedestrian improvement along both Sacramento and Jasmine Streets -- connecting existing food operators located north (crawfish restaurant) and east (Killen’s)

Catalyst No. 3 - 3b. Main Street Buildings and Urban Environment

Purpose – Main Street Urban Design

Complement this new venue and existing uses with supportive pedestrian and streetscape improvements, and urban design elements that balance vehicular and non-vehicular movement and provide a "downtown" experience.

Challenges

- Existing improvements constructed with parking in front eliminating the potential for a building edge along the right-of-way
- Few vacant sites, thus requiring either demolition or redevelopment of existing structures – extending timeframe and potentially increasing costs – unit cost for demolition
- Insufficient and inadequate pedestrian improvements to encourage day and nighttime users

Objectives

- Introduction of pedestrian improvements which connect area to uses along Main Street to the north and others east along Jasmine Street
- Pedestrian improvements will be a “draw” unto themselves with natural and man-made enhancements including tree and/or light canopies
- Shared parking located mid-block, eliminating need for more surface parking

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination

Proposed Improvements (example images)

Catalyst No. 3 - 3b. Main Street Buildings and Urban Environment

Proposed Improvements – Pedestrian Connection (example images)

Catalyst No. 3 - 3b. Main Street Buildings and Urban Environment (cont'd)

Proposed Improvements – Street Edge (example images)

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-3** summarizes the economic/fiscal impact of this private project.

Table 4-3: Catalyst No. 3: Economic/Fiscal Impact

Development Program	Units	Square Feet
Retail/Restaurant		33,100
Flex/Employment		0
Residential (Rental)	0	0
Residential (For-Sale)	0	0
Gross Floor Area		33,100
Project Land Area		174,240
Floor Area Ratio		19%
Development Pro Forma Summary		
Total Project Value		$5,767,675
Total Project Cost		$5,389,955
Project Margin/"Gap"		$377,720
% Project Margin/"Gap"		7%
Potential Tax Revenues		
Taxable Development Value		$4,965,000
Annual Property Tax Revenues		$35,356
Annual Sales Tax Revenues		$148,950
Potential New Residents		0

As shown, approximately $4.9 million in increased development value could be generated by this catalyst project, resulting in over $184,000 in new annual tax revenues. In addition, the project could generate 83 new jobs. Development of the project would result in a surplus estimated at $378,000, or 7% of project costs. Because this analysis includes developer profit of 10%, this catalyst represents a "doable" redevelopment project.

Development Strategy

Restaurant and Entertainment Venue Destination

Solicit existing property owners regarding their interest in "hosting" the identified catalyst concept (open-air food court for food trucks or temporary structures for multiple vendors) to test the market's interest before building more permanent structures -- owners will have option to lease or sell property, participate in financing improvements, and share in financial return; if interested in leasing or selling property to a developer or operator, PEDC will issue a developer / operator request and facilitate negotiations -- if no viable responses are received, PEDC should consider property acquisition, construction of temporary improvements, identification of private operators, and management of the space (street on street edge.)

Phasing and Timing

Upon identification of a preferred developer or operator (including the existing owner or PEDC) -- complete the following actions in the order presented or as dollars are available for specific project components --

- determine roles and responsibilities of each relative to required onsite and offsite improvements and funding sources
- obtain regulatory approvals for temporary structures (food court zoning and / or commercial kitchen incubator designation) and food service sales (food truck ordinance)
- identify necessary offsite improvements including pedestrian and streetscape enhancements that connect this venue with other existing food and entertainment establishments including Atchafalaya Crawfish and Killen's Steakhouse and Barbeque and corridor improvements including adjusting the Industrial Drive alignment
- amend the geographical extent of existing Old Town regulations, build-to references and development thresholds that trigger compliance
- depending on investment and return expectations and terms of financing, consider a multi-phase project with
  - temporary structures completed during first phase
  - transitioning to permanent structures during phase two
- update Grand Avenue and Old Town Plans to reflect the recommendations presented herein

Property Assemblage, Positioning and Disposition

If no interest is expressed by either existing property owners or potential developers, PEDC should consider acquiring and leasing or selling a viable site or sites to an operator or operators, and subsequently constructing or participating in the construction of vertical improvements (see Development Strategy).

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Catalyst No. 4 - 4a. Old Town Esplanade

Purpose – Old Town Esplanade

Introduce pedestrian and streetscape improvements which solidify Old Town as a destination for residents and visitors, balancing vehicular and non-vehicular movement, connecting existing and future centers of activity, and catalyzing property investment and reinvestment.

Challenges

- Parking demand is high along Jasmine Street and shared with church complex located to the north
- Insufficient and inadequate pedestrian improvements to encourage day and nighttime users
- Existing and inconsistent pedestrian improvements that will have to be removed and replaced
- Insufficient easement depths to accommodate improvements

Objectives

- Pedestrian improvements from -- East Jasmine Street to Park Avenue, Park Avenue and / or Galveston Street to Killen's, and south to “new neighborhood” within “old airport site”
- Later phase of pedestrian improvements along Grand Boulevard connecting “new neighborhood” within former airport property

- Visually and functionally attractive pedestrian connection to existing destinations
- Enhanced public improvements which become a destination unto themselves
- Possible materials - vine canopy, twinkle lights, brick pavers, tree canopy
- Walkable environment and connections between existing and new investments
- Streetscape along Old Town's principal corridors and public spaces
- Public improvements that serve to stabilize and enhance existing values within established neighborhood
- Enhanced public spaces - within existing buildings, historically-relevant and otherwise (i.e., theater)
- Enhanced pedestrian connections to new and existing anchors
- Retention of street grid
- Green buffer along industrial uses at northern edge of site

Catalyst No. 4 - 4b. New Community on former Alvin Community College Campus

Purpose – New Community on former Alvin Community College Campus

Provide the community with a demonstration of market support for alternative housing product types (a goal of the 2015 Comprehensive Plan), provide a daytime population to support commercial operators, and offer transitional uses between the commercial frontage and established neighborhoods beyond the Corridor.

Challenges

- Historical marker on one building may limit redevelopment options
- Seller's asking price unsubstantiated
- Potential for extraordinary costs associated with remediation and demolition (existing conditions unknown)
- Zoning on select parcels that is inconsistent with the expressed vision

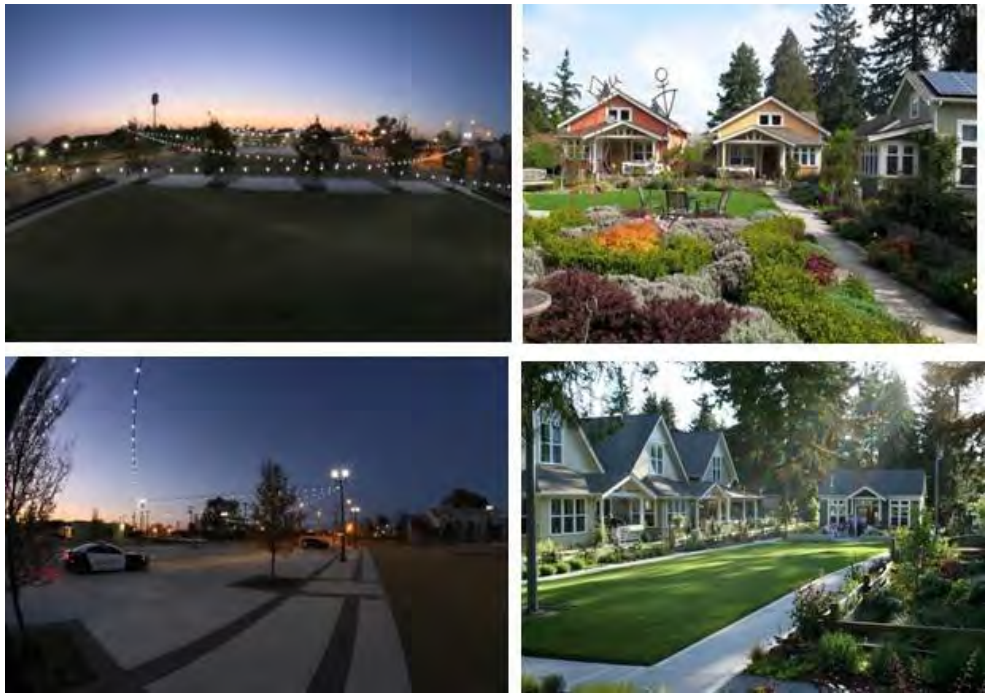
Objectives

- New traditional community with alternative housing products (demonstration project)
- Redevelopment of some existing buildings, demolition of remaining improvements, retention of courtyard area, stronger connection to city park
- 22 cottage units facing Grand Boulevard, Park Avenue and Zychlinski Park
- Vehicular access provided through alleys located mid-block
- Multi-phase project by more than one developer
- Multi-generational neighborhood
- Mix of lot and unit sizes to support needs of multiple generations (singles, families and empty nesters)
- Amenitized public spaces (pocket parks) within 1300' walk of every unit
- Houses fronting all public spaces (parks and streets)
- Replacement use for current non-tax generating improvements
- Infill "new community" on former school site and recent community college property
- Additional "rooftops" in Old Town to support commercial operators

Catalyst No. 4 - 4a. Old Town Esplanade and 4b. New Community on former Alvin Community College Campus

Proposed Improvements

Example Images



Catalyst No. 4 - 4b. New Community on former Alvin Community College Campus

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-5** summarizes the economic/fiscal impact of this private project.

Table 4-5: Catalyst No. 4 Economic/Fiscal Impact

Development Program		
	Units	**Square Feet**
Retail/Restaurant		20,000
Flex/Employment		5,000
Residential (Rental)	0	0
Residential (For-Sale)	22	39,600
Gross Floor Area		64,600
Project Land Area		173,251
Floor Area Ratio		37%
Development Pro Forma Summary		
Total Project Value		$9,040,750
Total Project Cost		$10,949,297
Project Margin/"Gap"		($1,908,547)
% Project Margin/"Gap"		-17%
Potential Tax Revenues		
Taxable Development Value		$9,350,000
Annual Property Tax Revenues		$66,581
Annual Sales Tax Revenues		$22,500
Potential New Residents		62
Potential New Employees		63

As shown, approximately $9.4 million in increased development value could be generated by this catalyst project, resulting in over $89,000 in new annual tax revenues. In addition, the project could generate 62 new residents and 63 new jobs. Development of the project would result in a deficit estimated at $1.9 million, or 17% of project costs, largely due to high land costs and potential environmental remediation. This catalyst would likely require significant public investment to make it a "doable" redevelopment project.

Development Strategy

Old Town Esplanade

PEDC and the City invest in priority capital projects including a pedestrian esplanade that will serve as a destination unto itself while also connecting the restaurant and entertainment destination (see Catalyst No. 3) project to Old Town improvements and existing neighborhoods and destinations to the east (Killens Barbeque) and future neighborhoods to the south.

New Community

Investigate alternative approaches to improve or solicit developers to improve the former community college property as a multi-use neighborhood with a mix of residential product types currently untested in the market, potentially including live-work spaces, along with supportive commercial and community spaces.

Phasing and Timing

Approach the owners (school district) and / or representatives of the community college campus regarding their interest in partnering to solicit the interest of potential master developers -- PEDC will issue the request (for qualifications) and partner with the district (optional) to review submittals , select the developer, and negotiate the sale; if the district is not interested in partnering to pursue a developer, PEDC consider acquiring the properties that comprise the campus, and solicit developer interest independently of the district.

Upon identification of a preferred developer or sale of the campus to PEDC -- complete the following actions in the order presented–

- determine roles and responsibilities of each relative to required onsite and offsite improvements and funding sources including environmental remediation
- obtain regulatory approvals for intended uses including -- higher density single family detached housing units, live-work units for artists, community center, and commercial spaces; as well as, building retrofits (existing theater and historically-significant buildings)
- identify and complete necessary offsite improvements including the esplanade and other improvements intended to accommodate pedestrians and bicycles and connect them to existing uses and activity centers and adjacent neighborhoods along East Jasmine Street and South Grand Boulevard and onsite environmental remediation
- amend the existing Old Town regulations to allow for desired uses in a format consistent with select neo-traditional principles related to setbacks and site lines, and connections to open and public spaces

- depending on investment and return expectations, and terms of financing -- encourage master development of the properties by a single entity, and subsequent sale of individual building pads to multiple builders or developers who will dictate the number and timing of project phases

Property Assemblage, Positioning and Disposition

If the district is not interested in partnering with PEDC to solicit developer interest consistent with the concept vision, PEDC consider acquiring the properties that comprise the campus, independently solicit developer interest, and complete the subsequent action steps described above.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Catalyst No. 5: Business Park South

Purpose

Offer an alternative to the northern segment of the Corridor for business and industry seeking a highly amenitized environment with expansion opportunities and proximity to regional north-south transportation corridors and points south of the Houston Metropolitan Area.

Challenges

- Presence of floodplain constraints and pipeline easements
- Distance to Tollway and Interstate
- Overall appearance of corridor (lack of consistency, no unifying design elements)
- Zoning on select parcels that is inconsistent with the expressed vision

Objectives

- Largest remaining contiguously owned parcels in the vicinity of the Corridor with highest potential for "business park" environment
- Favorable property ownership - Pearland Independent School District (PISD) and single owner (50+ acres)
- High quality public improvements with design controls for public spaces, parking and storage areas
- Offers a location for expansion among existing businesses so they are not lost to other communities
- Utility easements will not negatively impact development potential of properties
- Despite the presence of a ditch on the northern edge of the PISD site, there are no floodplain impacts
- Thoroughfare located along the northern edge of the PISD site was slightly realigned to create a more developable parcel on this edge of the site

Catalyst No. 5: Business Park South (Potential Development Sites)

Catalyst No. 5: Business Park South

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-6** summarizes the economic/fiscal impact of this private project.

Table 4-6: Catalyst No. 5: Economic/Fiscal Impact

Development Program		
	Units	**Square Feet**
Retail/Restaurant		20,000
Flex/Employment		1,500,000
Residential (Rental)	340	272,000
Residential (For-Sale)	0	0
Gross Floor Area		1,792,000
Project Land Area		8,189,280
Floor Area Ratio		22%
Development Pro Forma Summary		
Total Project Value		$197,217,333
Total Project Cost		$200,356,025
Project Margin/"Gap"		($3,138,692)
% Project Margin/"Gap"		-2%
Potential Tax Revenues		
Taxable Development Value		$178,500,000
Annual Property Tax Revenues		$1,271,099
Annual Sales Tax Revenues		$90,000
Potential New Residents		510
Potential New Employees		3,807

As shown, approximately $178.5 million in increased development value could be generated by this catalyst project, resulting in over $1.3 million in new annual tax revenues. In addition, the project could generate 510 new residents and 3,807 new jobs. Development of the project would result in a slight deficit estimated at $3.1 million, or 2% of project costs, largely due to the market "readiness" of the immediate area. This catalyst would likely require limited public investment to make it a "doable" redevelopment project.

Development Strategy

(Similar to Catalyst No. 2 above) PEDC and the City participate with property owners in funding, or proactively finance and complete the construction of infrastructure improvements including those in drainage ways, and utility and infrastructure relocations, all in an effort to enhance their marketability, expedite the timing of private improvements, and ensure desired quality levels.

Phasing and Timing

Phase capital improvements giving the highest priority to those that establish the southern segment of the Corridor as a cohesive employment center, mitigate negative impacts (visual and physical), and catalyze desired private investment; timing within private properties will be dictated by several factors (some outside PEDC's control) including the resources of private property owners and PEDC and location and condition of available meritorious properties.

Property Assemblage, Positioning and Disposition

PEDC work with existing property owners in the Corridor about the vision for an improved physical environment and creation of a business park setting, and -- with willing owners, partner to secure entitlements, finance and construct infrastructure improvements, and market parcels to potential users; with unwilling owners, consider acquisition of available properties and complete the same actions, yet independent of the original owner; priority properties should include those where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Economic Feasibility

Project outcomes, including profitability, are influenced by a multitude of factors including a project's location, management, marketing, political support and others. Because there are many "moving parts" to development, and even more associated with redevelopment, success is highly dependent on the elimination of as much uncertainty, as possible. Variables that can heighten risk, and corresponding uncertainty of redevelopment projects, are found in both its cost and revenue assumptions including:

- Variations in land prices, depending on market conditions and property owner expectations;
- On-site development costs, depending on existing conditions;
- Off-site development constraints, including upgrades to existing infrastructure;
- Higher financing costs due to perceptions of risk; and
- Timeframe to absorb space or achieve anticipated rents and / or sale prices.

Among the most significant challenges facing potential catalyst projects such as those presented here are:

- Level of market "education" required to reframe the consumer's perceptions;
- Higher development costs associated with creating a "place" sufficient to attract the desired market segments;
- Ability to overcome investor concerns about the projects' location in a transitional area; and
- Higher project costs associated with the assembly of land, construction staging in a built environment, and parking.

The purpose of preparing economic analyses for each of the catalyst concepts is to provide the City and PEDC with insight into the private investor's perspective regarding the viability of investment in the Corridor, while also providing information that most effectively "tells the story" of the Corridor's potential for investment and reinvestment. Benefits to the public sector include a better understanding of the "order of magnitude" of any financial "gap" that might result from development and / or redevelopment of these or similar projects in the Corridor; and, guidance with regard to the type and number of financing mechanisms and strategies which will be needed

to deliver projects of these types to the market. Since assumptions used are based on prevailing market indicators, final figures associated with actual projects will likely be different as conditions and markets change. For perspective, economic gaps of 20% to 50% are not uncommon in established commercial locations like the SH 35 Corridor that are on the cusp of revitalization. As shown in the following table, two of the projects generate small surpluses, while the other two suggest gaps ranging from approximately 2% to 7%. These surpluses, and relatively small gaps, indicate that the Corridor may be ready for new reinvestment.

Leveraged Investment

One of the primary objectives of publicly-led revitalization efforts is to “leverage” public resources and encourage private investment. While public sector entities should not necessarily expect a healthy return in the early stages of initiatives similar to this one, they should over the mid- to long-term. Whereas the first few development projects in these environments almost always suffer from economic gaps resulting from challenges identified here, the intent of early contributions is to reverse the prevailing trend and prove-up demand for market-supported project concepts. Despite the potential for a limited direct return on public sector efforts in the early phases of these efforts, it is equally rare that public initiatives will not gather momentum as project economics improve to the point where their participation is no longer needed, or at least to the same level.

The catalyst concepts summarized here have multiple phases, and individually and collectively have the potential to effectively leverage a high degree of private investment. As shown in **Table 4-6**, collectively they have the potential to generate over $240 million in new private investment. The potential public investment required to “fill” potential economic gaps would likely range between $6 million and $8 million, yet leverage this involvement at an overall average ratio of 30: to 40:1 ($30 to $40 spent by the private sector for every $1 spent by the public sector).

Public sector decisions regarding participation, and to what degree, should be based on several factors, among them the level of public investment in infrastructure, parking, and land required to encourage or "ready the environment" for investment, and resulting amount of private investment leveraged.

Table 4-6:

Catalyst Project Leverage Summary

Project Indicator	Catalyst Project Concepts			
	Catalyst #2: Business Park North	Catalyst #3: Restaurant and Entertainment Destination / Main Street Buildings and Urban Environment	Catalyst #4: Old Town Esplanade / New Community on Former Alvin Community College Campus	Catalyst #5: Business Park South
Private Sector Investment				
Development Sq Ft:				
Project Land Area (Acres)	23.9	4.0	4.0	188.0
Retail/Restaurant	12,000	33,100	5,000	20,000
Office/Employment	230,000	0	20,000	1,500,000
Residential (Rental)	0	0	0	272,000
Residential (For-Sale)	0	0	39,600	0
Total Private Development	**242,000**	**33,100**	**64,600**	**1,792,000**
Floor Area Ratio	**23%**	**19%**	**37%**	**22%**
Total Project Value (@ Build-Out)	**$28,373,733**	**$5,767,675**	**$9,040,750**	**$197,217,333**
Total Project Costs (@ Build-Out)	**$27,875,626**	**$5,389,955**	**$10,949,297**	**$200,356,025**
Project Margin/(Gap)	**$498,108**	**$377,720**	**($1,908,547)**	**($3,138,691)**
Project Margin/(Gap) %	**2%**	**7%**	**-17%**	**-2%**
Potential Contributions to Gap				
Land Acquisition/Write-down	$0	$0	$0	$0
Site Improvements Contribution	$0	$0	$619,378	$0
Supportable TIRZ (25 Years)	$0	$0	$2,600,000	$51,800,000
Sales Tax Sharing (380 Loan -- 20 Yrs)	$0	$0	$100,000	$500,000
Public Improvement District (20 Years)	$0	$0	$0	$0
Property Tax Abatement (10 Years)	$0	$0	$500,000	$10,800,000
Development Fee Waivers	$0	$0	$0	$0
Federal/State/Local Grants	$0	$0	$0	$0
Streamlined Development Approval Process	$0	$0	$0	$0
Total Contributions to Gap	**$0**	**$0**	**$3,819,378**	**$63,100,000**

Source: Kimley Horn and Ricker | Cunningham.

Section 5:

Implementation

The strategy for promoting development and redevelopment within the SH 35 Corridor is based on an awareness of existing conditions and understanding of desired outcomes, tempered with market realities. To this end, its major components include:

- **Vision** (or **Statement of Intent**)
- **Guiding Principles**
- **Development Approach** - *and*
- **Actions**

Presented in the discussion which follows is: a **vision** for revitalization, expressed as a **statement of intent**; parameters for land use and improvement decisions referred to as **guiding principles**; an **approach** to catalyze private development and improvements the public realm; and, **actions** to overcome **barriers**.

Redevelopment of the SH 35 Corridor will be dependent on numerous projects, programs and policies that collectively "readying the environment for investment." Key to successful implementation will be the ongoing resolution of circumstances that may arise, each one tailored to unique conditions within the Corridor. In addition to recognizing and addressing these challenges, PEDC and the City will need to communicate their accomplishments to stakeholders and local officials so that community support for this redevelopment effort is sustained and public commitment long-term and on-going.

Vision

Statement of Intent

The recommended vision for revitalization of the SH35 Corridor Study Area is ... *a high quality and consistently-designed employment and business environment with compatible land uses and supportive amenities. It will be the community's principal center for new and expanding industries with less impactful operations concentrated in its northern segment. Commercial businesses will primarily be those that support the daytime needs of employers and their employees such as restaurants, supply stores, and maintenance facilities. Larger format commercial businesses will be encouraged to locate near the Corridor's core, where there is already an established base. Along the southern edge of the central segment, the Old Townsite will include a broad mix of product types within a limited number of land use categories, primarily residential, commercial retail and office. Once the community's first district for commerce and industry, new investment will leverage established residential neighborhoods, mature vegetation, and a gridded street system. Uses will build on what is already there, attracting both residents and visitors, and extending their stay. Public improvements will include spaces to host community events while also connecting various activity areas. Early development and redevelopment projects will be encouraged to include both public enhancements and private uses that may, or may not as yet, be tested in the local market, as demonstrations of*

what is envisioned over the near- and long-term.

Guiding Principles

While the purpose of this SH 35 Corridor Redevelopment Strategy is to inform and guide future growth in the Study Area, it is a policy, not regulating document. As such, the only way to protect the expressed vision, and advance the desired improvements, will be to ensure alignment among the City's guiding documents, particularly those codes and standards that will inform investment within its boundaries. In addition, guidance that fosters sound decision-making by the City's leaders will need to be provided, particularly on matters related to land use and capital expenditures, so that they continually reflect and support the intentions herein. Regarding amendments to existing regulations and development standards, several recommendations are provided in **Appendix I**. In terms of information to assist public officials, the following guiding principles are offered as a reference, with each one, while general in nature, intended to reflect existing challenges, potential opportunities, and input from experts in the fields of finance, development, business, and industry, all of which participated in this strategy process.

Guiding Principles are defined as *representing a broad philosophy that guides the organization throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management filter for decisions at all levels of the organization.*

1. The City will maintain a proactive and sustained attitude towards redevelopment that is consistent with the vision for the Corridor.
2. The community's vision for the Corridor will be reflected in supporting policies and regulations.
3. Industrial and commercial land uses will be encouraged in appropriate locations so as to maintain the desired character of each segment of the Corridor.
4. Development standards will be appropriate for the expressed vision and catalyzing concepts within the various segments of the Corridor.
5. Property owners will be provided with knowledge and analyses (due diligence) resulting from this process in an effort to encourage desired investment.
6. Capital projects will be phased to encourage new investment, first, and improve conditions for existing uses, second.
7. Enhancements to public spaces will be consistent with the vision for an employment center environment and include new and replacement projects despite the age and condition of existing improvements.
8. Policy, vision and regulatory documents superseded by the objectives expressed in this SH 35 Corridor Redevelopment Strategy will be updated and in the interim variances afforded for select projects deemed consistent with the objectives stated there

Development Approach

Any approach by a public entity to encouraging investment in a defined geography should cultivate streamlining the delivery of both capital improvements, and either development-ready or unimproved sites, to the market. Further, it is predicated on the fact that *private investment follows public commitment*. To this end, the approach for redeveloping the SH 35 Corridor involves public participation in two arenas -- the Study Area as a whole and distinct projects with an opportunity to realize near-term investment. The projects may involve a single site or potential assemblage, and they may be site or area-specific, or have numerous applications. Presented in the discussion below are several components of an approach to improving the framework of the Corridor environment, followed by customized approaches (using the same components) for advancing the individual project concepts. This is followed by a description of barriers, or obstacles that could threaten efforts to improve the Corridor and attract investment, along with a series of actions to either eliminate or mitigate these challenges.

Corridor-Wide

Development Lead

Experience has shown that communities with a competitive advantage, minimize risk through a range of methods including: funding or installing shared infrastructure, guaranteeing swift permit reviews, and ensuring political and community support. If possible, they provide pre-entitled facility "shells" (designs) and flexible interpretation of existing regulations, guidelines and standards. Through this approach, they are better able to both capture a larger share of new investment, as well as expedite its timing.

Further, the approach here assumes PEDC, together with the City, will act as the master developer of improvements in the Study Area, and as such will lead the financing and contraction of off-site infrastructure and enhancements, as well as assist with select on- site improvements, particularly those completed in an effort to better position key parcels for investment and expedite building construction.

As the City's lead agency for industry attraction, PEDC will provide oversight and act as the lead on development requests, be the principal provider of "gap" financing (for meritorious projects), and use its resources to fund infrastructure and utility improvements; while the City will lead enforcement of regulations.

Capital Improvements

In addition to installation of infrastructure and utilities, connections to the region's trail system, enhanced landscaping, and roadway improvements; this Redevelopment Strategy also recommends that PEDC consider assisting with select on-site investments, in support of the catalyst concepts. Recognizing that the introduction of these

elements, while necessary, could command additional resources for their care and maintenance, this Strategy recommends that in a later phase of the Corridor's redevelopment, various funding mechanisms, including improvement districts, be considered.

Phasing Plan

Phasing improvements within a targeted geography serves to address a number of development challenges among them -- ensuring the availability of development-ready sites during active real estate cycles; and, managing the pace of development so that the ability to repay debt is maintained. Sustaining a long-term program of capital improvements in the Corridor will be imperative should the community elect to solicit either matching state or federal economic development dollars, or incremental tax dollars from participating entities. An on-going schedule of improvements will also more effectively leverage public resources, and increase the potential for sustained public and private support as progress will be visible.

Property Assemblage, Positioning and Disposition Strategy

Whereas most community-initiated redevelopment initiatives take several years to implement, property acquisition is an ongoing process among private, public, non-profit and combinations of these groups. In addition, the more activity there is in the market, the higher the asking prices, which can have the consequence of creating an even larger gap in a projects economic feasibility.

Therefore, as the entity with the largest and longest-term interest in the area, either the municipality or their agent (in this case PEDC), should consider early acquisitions a priority, particularly given the numerous advantages for the private sector when acquiring property from public and non-profit entities, among them -- lower carrying costs, less uncertainty regarding entitlements, and, the potential for monetary incentives. Further, the methods and terms of these agreements can be quite flexible. Properties can be either sold or leased, at or below market rate levels, and, trades and contributions can be considered (assuming no legal restrictions). In addition, community interests, long-term goals, and outstanding obligations have the potential to be addressed, and possibly funded in conjunction with new projects.

Decisions by the development entity (directly or indirectly) regarding these options should consider: the capital value of individual parcel sales compared to long-term leases, near- and long-term project objectives, policies and practices of the lead entity; and, desired level and timing of the public sector's return on investment.

Financial Resources and Incentives

Financing mechanisms used to fund improvements in the Corridor should include a range of resources, used individually and in different combinations. Possible sources include: grant and bond revenues, low or no interest loans, future district revenues, existing economic development program dollars, and if available, municipal

improvement funds. Additional sources could include: bank, state and federal matching funds, municipal resources, private fees and incremental tax dollars. Capital improvements, delivered by the public sector, that make an area attractive for development and stabilize the investment climate, should be considered an economic contribution with monetary value, whereas they have the potential to close a financial gap. Matching economic development incentives to direct investments in the physical environment, and indirect contributions to the fiscal concerns, are frequently the most successful approach.

Organizational Oversight

The organizational entity that assumes responsibility for the revitalization effort (PEDC) will be the one to: maintain development oversight; manage and market properties, either together with or on behalf of property owners; and, fund, finance and negotiate development agreements and leases among publicly-owned properties, and in public spaces. Additional support should be provided by representative governments, advocacy entities and regional economic development organizations.

Marketing and Promotion

A carefully designed and consistently administered marketing program should be an early actionable item. Individuals and organizations that support and promote investment, along with local officials and business associations, need to coordinate their marketing efforts. Ideally, the City and PEDC, will establish common goals and objectives, along with consistent policies, and whenever possible, share and leverage resources. When private interests request assistance with marketing their properties to developers or other users (either on their behalf or in partnership), various approaches should be considered including: issuing developer requests, retaining brokers, and attaching these parcels to other community-wide efforts to attract business and industry to the local market.

Regulations

The experience of many, if not most, communities that have advanced similar redevelopment initiatives has shown that while a higher standard of development must be established for the targeted area, they should be appropriate for the uses desired, and reflect intended outcomes. In addition, if during the early phases of the redevelopment project, these standards have a financial impact that renders a desirable project infeasible, the lead entity should consider providing resources to fill the economic gap. During later phases of the project, it is highly likely that market conditions will have reached a state of equilibrium wherein project revenues should be sufficient to cover project costs. Regardless of what entity prepares the development standards, they should be enforced by the City. While it may seem counter-productive to require heightened levels of improvements in an area where conditions are such that project and site development costs alone could render a project infeasible, they are essential as businesses

will require that their investment be protected, and these assurances can only be offered when there is consistency in the regulating process. Since "time is money," the systems by which standards and regulations are enforced need to be as efficient and cost-effective as possible. Pearland's current process appears to be both efficient and cost effective, and therefore should be promoted as an economic incentive for businesses and industries developing in the Corridor and community at-large.

Catalyst Projects (Concepts)

As explained in the previous section, catalyst projects are those with the potential to stimulate private investment, stabilize the business environment, prove-up market support for untested products, and establish desired levels of quality and character. What follows are a series of recommendations regarding an approach to advancing the catalyst project concepts identified for the SH 35 Corridor. As stated earlier, each approach (were relevant) involves similar elements to those presented above related to framework improvements in the Corridor.

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Purpose

Offer a **business location for office and industrial users** seeking a high quality setting offering supportive infrastructure and amenities and access to points north and south of Pearland and Houston Metropolitan Area.

Development Strategy

PEDC and City complete the following priority capital projects in the *northern segment* of the Corridor -- gateway enhancements, wayfinding (signage), and softscapes where hardscapes currently exist *so that* individual parcels appear to be part of a **consistently designed and maintained environment**; natural "screens" adjacent to the right-of-way *so that* the **area's visual appearance is improved**; design pavers and enhanced landscaping at intersections and other significant nodes where private investment is eminent *so that* **public investment is leveraged;** and, connections to local and regional trail systems so that employees can arrive via **multiple forms of mobility.** In its *southern segment*, encourage **TxDOT** to **continue its roadway improvement program** completed in the northern portion during 2014. Following TxDOT, or in concert with them, **duplicate the improvements identified above** in this portion of the Corridor.

Phasing and Timing

Assuming that private investment follows public commitment, complete improvements within the following categories in the order presented or as dollars are available for specific project components --

Phase No. 1 - northern "gateway" and "screening" improvements

Phase No. 2 - intersection and corridor improvements in locations that most effectively leverage private investment

Phase No. 3 - aesthetics and amenities including trail connections, bike paths, signage, landscaping

Property Assemblage, Positioning and Disposition

Educate property owners in the Corridor about the vision for an improved physical environment and discuss options for *PEDC to* proactively **locate, install, and maintain enhanced landscaping and other public spaces** -- *if property owners are willing to* **dedicate** an easement to either PEDC or the City, **transfer ownership** and / or **accept a variance** where current easements exist -- where rights-of-way bifurcate multiple jurisdictions, solicit *public entity interest* in participating in a cooperative agreement and / or being part of an overlay district that solidifies anticipated improvement levels and their location.

Financial Resources and Incentives

Access the viability of existing and potential **resources** (capital reserves, economic development), including creation of a tax increment district; pursuit of **matching public and private dollars**; and, **support from** various **advocacy entities** to assist with **financing** and **supporting improvements**.

Catalyst No. 2 - Business Park North

Purpose

"Ready" or **position properties** (both private and public) **for investment** by completing **due diligence research** efforts on behalf of private sector property owners by identifying and **eliminating barriers** to investment, and **streamlining** the timeframe between **site acquisition** and / or completion of **vertical improvements.**

Development Strategy

Establish a policy whereby PEDC and the City **participate** with property owners / developers **in funding** the construction of **infrastructure improvements** in an effort to **position properties** for near-term investment, acknowledging that **eligible parcels will meet specified criteria** such as -- vacant for an extended period of time, presenting potential for job creation (primary), ability to advance key economic development goals, and others.

Phasing and Timing

The timing of improvements within private properties will be dictated by several factors (some outside PEDC's control), among them:

- interests and resources of private property owners
- resources of PEDC and other advocacy entities who may participate in funding improvements **(proactive efforts)**
- number and condition of available properties
- number of meritorious parcels (see criteria) who request assistance **(reactive efforts)**

  Proactive efforts - priority properties for targeted investment (either publicly- or privately-held) will have the **fewest obstacles** (barriers) to investment and be **in the most strategic locations** based on **meritorious measures** such as:

  - at or near an intersection
  - uninhibited access to the Corridor
  - visibility from either a primary or secondary roadway
  - adequate in size and shape to accommodate a marketable improvement

Reactive efforts - timing will be dictated by requests for assistance by property owners with strategically-located properties and a meritorious development concept

Property Assemblage, Positioning and Disposition

PEDC will consider the **acquisition** of private properties made available by existing owners in an effort to **entitle** (if necessary), **improve** and **position** (if deemed feasible), and **sell** (dispose of) to an individual or entity willing **to advance the vision and objectives** defined herein -- **priority properties** should include those within the identified catalyst areas and other locations where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

Use **existing resources** of PEDC and the City to complete capital improvements, including any **capital reserves** or **economic development funds.**

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination, 3b. Main Street Urban Design

Purpose

Establish a **destination** for residents and visitors with **commercial venues** unique to the area and its "gritty character" and **compatible** with existing uses that correspondingly provide an environment to **incubate** local businesses and **grow dining and shopping offerings in the Old Townsite District.**

Development Strategy

Restaurant and Entertainment Destination

Solicit existing property owners regarding their interest in **"hosting"** the identified catalyst concept (open-air food court for food trucks or temporary structures for multiple vendors) to **test the market's interest** before building more permanent structures -- owners will have option to **lease or sell property**, **participate** in financing improvements, and **share** in financial return; if interested in leasing or selling property to a developer or operator, **PEDC** will **issue** a developer / operator **request** and **facilitate negotiations** -- if no viable responses are received, PEDC should consider property **acquisition**, **construction** of temporary improvements, **identification** of private operators, and **management** of the space.

Main Street Urban Design

Complement this new venue and existing uses with supportive pedestrian and streetscape improvements, and urban design elements that balance vehicular and non-vehicular movement and provide a "downtown" experience. Update policies and regulations to require new, retrofitted and altered buildings bring their building edge to the street and relocate onsite parking to the back of lots.

Phasing and Timing

Upon identification of a preferred developer or operator (including the existing owner or PEDC) -- complete the following actions in the order presented or as dollars are available for specific project components --

- **determine roles and responsibilities** of each relative to required onsite and offsite improvements and funding sources
- **obtain regulatory approvals** for temporary structures (food court zoning and / or commercial kitchen incubator designation) and food service sales (food truck ordinance)
- **identify necessary offsite improvements** including **pedestrian** and **streetscape enhancements** that connect this venue with other existing food and entertainment establishments including LA Crawfish and Killen's Barbeque
- amend the geographical extent of existing **Old Townsite District regulations**, build-to references and development thresholds that trigger compliance
- depending on investment and return expectations and terms of financing, consider a **multi-phase project** with
  - **temporary structures** completed during first phase
  - transitioning to **permanent structures** during phase two

Property Assemblage, Positioning and Disposition

If no interest is expressed by either existing property owners or potential developers, PEDC should consider acquiring and leasing or selling a viable site or sites to an operator or operators, and subsequently constructing or participating in the construction of vertical improvements (see Development Strategy).

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite, following selection of a final master developer for the project concept and depending on available resources (amount and type) and negotiated roles; treat and / or **classify the** open-air restaurant and entertainment **venue as an incubator** in order to qualify for regional, state and federal funds and other employment-related grant or low interest loan programs); **establish financial resources** (TIRZ, special district) to fund improvements and infrastructure, and fill economic "gaps" resulting from associated costs (land acquisition); and, request **support from** various **advocacy entities** to assist with **financing** and **supporting improvements**.

Catalyst No. 4 - 4a. Old Town Esplanade, 4b. New Community on former Alvin Community College Campus

Purpose

Introduce **pedestrian** and **streetscape improvements** which **solidify the Old Townsite District as a destination** for residents and visitors, **balancing** vehicular and non-vehicular movement, **connecting** existing and future centers of activity, and **catalyzing** property investment and reinvestment. Use the former Alvin Community College (ACC) campus as a host for a **demonstration housing project** featuring cottage homes, **internal gardens**, **venues for cultural events**, and potentially artists' work space.

Development Strategy

Old Townsite Esplanade

PEDC and the City invest in priority capital projects including a pedestrian esplanade that will serve as a destination unto itself while also connecting the restaurant and entertainment destination (see Catalyst No. 3) project to other improvements and existing neighborhoods in the District, along with existing destinations (Killens Barbeque) and future neighborhoods around its perimeter.

New Community

Investigate alternative approaches to improve or solicit developers to improve the ACC property as a multi-use neighborhood with a mix of residential product types currently untested in the market, potentially including live-work spaces, along with supportive commercial and community spaces.

Phasing and Timing

Approach the owners and / or representatives of the former Alvin Community College property regarding their interest in partnering to solicit the interest of potential master developers -- **PEDC will issue the request** (for qualifications) and **partner** with the district (optional) to **review** submittals , **select** the developer, and **negotiate** the sale; if the district is not interested in partnering to pursue a developer, PEDC consider acquiring the properties that comprise the campus, and solicit developer interest independently of the district.

Upon identification of a preferred developer or sale of the campus to PEDC -- complete the following actions in the order presented --

- **determine roles and responsibilities** of each relative to required onsite and offsite improvements and funding sources including environmental remediation
- **obtain regulatory approvals** for intended uses including -- higher density single family detached housing units, live-work units for artists, community center, and commercial spaces; as well as, building retrofits (existing theater and historically-significant buildings)
- **identify and complete necessary offsite improvements** including the **esplanade** and other improvements intended to accommodate **pedestrians** and **bicycles** and connect them to existing uses and activity centers and adjacent neighborhoods along East Jasmine Street and South Grand Boulevard and **on-site environmental remediation**
- **amend** the existing **Old Townsite District regulations** to allow for desired uses in a format consistent with select neo-traditional principles related to setbacks and site lines, and connections to open and public spaces
- depending on investment and return expectations, and terms of financing -- encourage **master development** of the properties by a single entity, and subsequent **sale of individual building pads** to multiple builders or developers who will dictate the number and timing of project phases

Property Assemblage, Positioning and Disposition

If ACC is not interested in partnering with PEDC to solicit developer interest consistent with the concept vision, PEDC consider acquiring the properties that comprise the campus, independently solicit developer interest, and complete the subsequent action steps described above.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite, PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Use **existing** economic development **dollars** and / or future dollars dedicated to advancing these catalyst concepts; and

potential sources such as (incremental revenue (TIRZ), other special district funds, grants, low interest loans to fund improvements and infrastructure, and fill economic "gaps" resulting from associated costs (land acquisition); and, request **support from** various **advocacy entities** to assist with programming, particularly, public and art spaces (if any)

Catalyst No. 5 - Business Park South

Purpose

To compliment the high quality business environment in the northern segment of the Corridor, introduce appropriate improvements for business and industry seeking a highly amenitized environment with expansion opportunities and proximity to regional north-south transportation corridors, and points south in the Houston Metropolitan Area.

Development Strategy

(Similar to Catalyst No. 2 above) PEDC and the City **participate** with property owners **in funding,** or **proactively financing** and completing the construction of **infrastructure improvements** including those in drainage ways, and utility and infrastructure relocations, all in an effort to enhance their **marketability**, **expedite** the timing of private improvements, and ensure desired **quality** levels. As mentioned above, encourage TxDOT continue the next phase of roadway enhancements, completed in the northern segment in 2014.

Phasing and Timing

Phase capital improvements giving the highest priority to those that establish the southern segment of the Corridor as a cohesive employment center, mitigate negative impacts (visual and physical), and catalyze desired private investment; timing within private properties will be dictated by several factors (some outside PEDC's

control) including the resources of private property owners and PEDC and location and condition of available meritorious properties.

Property Assemblage, Positioning and Disposition

PEDC existing property owners in the Corridor about the vision for an improved physical environment and creation of a business park setting, and -- with willing owners, partner to secure entitlements, finance and construct infrastructure improvements, and market parcels to potential users; with unwilling owners, consider **acquisition** of available properties and complete the same actions, yet independent of the original owner; **priority properties** should include those where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

Use **existing resources** of PEDC and the City to complete capital improvements, including any **capital reserves** or **economic development funds; and,** establish **new funding mechanisms** including creation of a tax increment district.

Actions

The national trend of stagnating and declining municipal corridors is evident not just in Pearland and the Houston Metro Area, but throughout the U.S. Facing increasing competition from locations in revitalizing city centers and downtowns, along with locations on the fringe of communities that are less expensive to develop and which present fewer constraints, properties in these locations are at risk of decay and a corresponding decline in value. A local example was the relocation of existing retailers, and preference of new retailers, for locations along SH 288 and high profile Pearland Parkway. In order to address this trend, Pearland and other municipalities facing similar circumstances, need to first acknowledge the challenges inherent in these types of geographies, and then develop context- appropriate regulations and incentives to overcome them.

As explained above, in addition to those elements of the strategy for redeveloping the SH 35 Corridor presented above, is this final component which includes a discussion of barriers to development, discovered within the Study Area, followed by a series of actions, or efforts, designed to eliminate these obstacles and attract desired investment. While the barriers that prevent or delay development in physically constrained environments such as the SH 35 Study Area can be numerous, and sometimes difficult to identify, they almost always fall into one of the following six categories - market, physical, financial, regulatory, political and organizational. For this reason, the discussion that follows is organized into these same groups or categories. Each one is first defined, and then followed by local examples. The reader will notice that some are site- or area- specific, while others have the potential to impact parcels throughout the Corridor. Correspondingly, the actions identified to mitigate their impact are both site- or area-specific, and non- specific. Site-specific actions include a reference to the location where a certain issue or constraint will be resolved.

Barriers

Market Barriers

Two of the most significant, yet least known challenges to community-led redevelopment initiatives are, a lack of market information and inaccurate market information (quantitative and qualitative). Heightened access to multiple sources of information, both online and in print, have left economic development professionals with both more informed, and misinformed, prospects. While most of the available data is accurate, some is not, and still other information published without appropriate context, can lead to misconceptions of a market's potential. An important first step in efforts such as this one is to discern fact from fiction. Misconceptions can be unforgiving and difficult to reverse, especially among developers who link this information to unfavorable policy decisions. Their perceptions, in particular, can lead to self-fulfilling prophecies about the potential of a community to become something else. With adoption of this SH 35 Corridor Redevelopment Strategy, it must be a "new day" in the minds of all advocates and stakeholders in the Study Area and community. PEDC and the City cannot wait for investors to discover development opportunities in the Study Area, nor leave them to interpret generic information that may, or may not, be accurate. Information generated during this planning process should be shared and used to develop marketing and promotional materials which tell the area's "investment story." Presented here is a representative list of market challenges or barriers, impacting investment decisions in the SH 35 Corridor.

M1. Proximity of incompatible land uses to parcels in the 35 Corridor, specifically encroachment of residential developments on industrial businesses resulting from approved property rezonings

M2. Fairly homogenous mix of uses and businesses in the Old Townsite District, and too few to serve as a “destination” or district that consumers residing outside of Pearland’s municipal boundaries would visit

M3. In addition to little deviation among residential products types approved for development in the local market (see R6. Below), few home builders with either experience or interest in offering these types of products in the Pearland market

M4. Significant number of vacant and under-utilized parcels that are too small to be improved according to existing regulations, most of which are located in the Old Townsite District, without being part of a larger assemblage that often requires a process that can be time-consuming and costly

M5. Business environment that lacks “market identity,” something generally reserved for regionally-recognized business and industrial parks with consistent infrastructure improvements,

and properties that are fairly consistently promoted and maintained

M6. Presence of automobile dealerships which pose an inefficient use of the land in the Corridor, and are inconsistent with the stated vision for a quality business and industrial park environment, and which

Physical Barriers

Physical improvements, public or private, roadway or building, are all signs that a community is moving forward and making progress. Since one of the primary obstacles to development in established areas is the conditions and capacity of its existing infrastructure, investment activity in these locations tends to lag behind those in other parts of the community. Inadequate infrastructure has its biggest impact on the economic feasibility of a project since it can be harder for elected officials to justify expenditures (even incentives) to repair or expand existing infrastructure, rather than build new infrastructure. Despite numerous fiscal analyses that have shown a higher public sector return on investment from participation in redevelopment than new development projects, as well as, a more significant impact on adjacent property values, few communities place promoting and completing projects in these locations at the top of their priority initiatives list.

The most established areas of communities usually include their downtown, and commercial and industrial corridors, all located in the interior of communities, rather than along their edges. Structures within their boundaries are also often among the community's older building stock, and generally designed with the automobile in mind. Given the highly prescribed format of most real estate products, redevelopment solutions within these areas often necessitate the collaborative input of multiple disciplines so that design solutions are comprehensive and relevant. Finally, designing improvements from the perspective of a single professional (architect, land planner, engineer) may not effectively reflect lifestyle preferences and needs that can represent untapped niches. Presented here is a representative list of physical challenges or barriers, impacting investment decisions in the SH 35 Corridor.

Physical

P1. Balancing the access challenges created by roadway medians (in the Corridor's northern segment), with the necessity for safety islands given the width of the highway

P2. Location of the Burlington Northern - Santa Fe (BNSF) Railroad tracks, and their proximity to parcels in the central segments of the Corridor in the vicinity of the Old Townsite District, and associated impacts such as noise, smell, and dust, collectively limiting the viability of certain uses and product types, especially those with outdoor seating spaces such as restaurants

P3. Numerous "remnant parcels" or those lacking sufficient utility, primarily within the Old Townsite District, which lack an adequate size and shape to be improved under existing regulations without being part of a larger land assemblage, most of which are located adjacent to the BNSF line and adjacent rail corridor easement

P4. Available inventory of parking facilities within the central segments of the Corridor, particularly in the vicinity of the Old Townsite District, that is currently limited and will continue to be stretched as properties continue to develop and redevelop

P5. Presence of infrastructure lines and related easements, particularly in the northern segment of the Corridor, which may require costly intervention such as their expansion, relocation, or vacation

P6. Few, if any, physical accommodations for non-vehicular movement (pedestrian or bicycle) and connections to or between properties, including inadequate shoulder widths (to support bicycle travel) in its northern segment where TxDOT recently completed the first phase of roadway enhancements in the Corridor

P7. Presence of overhead utility lines and associated easements which can provide a visual blight, and limit the total developable area of certain properties

P8. Private improvements that are visible from the roadway, (site and building) with significant levels of deferred maintenance, which collectively promote a negative perception of the Corridor, and correspondingly suppress property values

P9. Presence of the Hastings Oil and Gas Field located in the southern most segment of the Corridor, which maintains numerous active and inactive wells and collection lines that transport crude oil, natural gas and various petrochemical products and that by their presence limits the development capacity of some parcels

P10. Pipelines in other locations that traverse properties in the Corridor's southern segments in the vicinity of Dixie Farm Road, and northern segments near Clear Creek and McHard Road, which can also influence the type, location and level of development that occurs either onsite or adjacent to impacted parcels

P.11 While also potential amenities, on-site detention facilities, drainageways, and their tributaries; along with associated floodplains, such as Clear Creek located south of Beltway 8, Hickory Slough south of Clear Creek, and Mary's Creek south of the Old Townsite District; all of which bisect portions of the Corridor and, like oil and gas transport and collection lines, can limit the development capacity of some parcels, while also increasing the site improvement costs of others

P12. Presence of geologic faults throughout the Corridor (some identifiable on aerial photography and others through on-site investigations), that like pipelines and other natural and man-made features influence the location of buildings, as well as streets and utilities

Financial Barriers

A lack of money (public or private) is sometimes considered the only reason that investment or reinvestment does not occur within a community. While the availability of financial resources is a key component of every successful redevelopment initiative, is not the only component, nor the only obstacle.

Comprehensive and area-specific planning initiatives such as this one come at a time when demands on local government are high and resources limited. Regardless, they are essential for sustained growth. While the responsibility for facilitating new investment in a community, while also encouraging investment in its aging and underperforming assets, has historically been borne by the public sector; advancing the redevelopment initiatives identified herein will require the time and resources of a broad range of stakeholders. Development costs in infill, and particularly corridor settings, are often higher while early project revenues are frequently lower (despite the fact that select market sectors not only survive, but thrive in these environments.) Pearland is not alone in its efforts to improve one of its principal business corridors, and as such can learn from the experience of others.

One widely accepted belief is that the public sector must provide the broadest possible range of resources, both monetary and non-monetary, but that have an economic impact on a projects feasibility including, assistance with: site acquisition, building and facade improvements, start-up capital, facility relocations; and, capital improvements, both on- and off-site. Presented here is a representative list of financial challenges or barriers, impacting investment decisions in the SH 35 Corridor.

F1. Property owners with undeveloped and under-developed parcels (for sale or not for sale) who are only willing to sell for a price well above what the market can bear – note – it is not unusual for property owners to increase their asking price to what some consider to be speculative levels, during and in the months following a publicly-initiated redevelopment effort such as this one, many eventually bring them more in-line with prevailing conditions

F2. Limited resources available to assist business and development interests with improving properties constrained by conditions which are often too costly to either mitigate or eliminate

F3. Declining, yet high cost of financing private commercial and industrial developments following the regions and nations ongoing recovery from the Great Recession (2008 to 2012) – note – “cost of financing” is impacted by interest rate levels + preleasing requirements + other underwriting terms

F5. Negative perception of investment climate among potential developers and facility owners and / or operators

Regulatory Barriers

Experience in other communities has also shown that redevelopment of corridors and similar geographies within a community will best succeed if growth management programs reward efficient development patterns. When growth is allowed to occur in a land extensive, inefficient way that effectively subsidizes lower densities, redevelopment efforts operate at a competitive disadvantage. Given the pattern of development in the city over the last decade, SH 35, along with its other established corridors, will continue to be susceptible to fluctuations in the market, and their perceived contribution to the city's fiscal balance sheet.

Ideally, redevelopment plans and programs are administered by specialists who understand the unique challenges projects in these environments face, and supported by policy and regulating documents that reflect this awareness. It is also preferable that local leaders establish both new development and redevelopment priorities that can be advanced in parallel, rather than in competition with each other. Presented here is a representative list of regulatory challenges or barriers, impacting investment decisions in the SH 35 Corridor.

R1. Inability to construct gateway improvements for the 35 Corridor in a location with maximum visibility, particularly adjacent to the southern edge of Beltway 8, since Pearland's municipal boundary begins south of Clear Creek

R2. Variations in the location of building improvements, and specifically their facades, in the Old Townsite District, creating an inconsistent pattern of development and environment that is less conducive for pedestrian movement

R3. Few opportunities for shared parking among businesses because of the location of existing facilities and current use and product mix

R4. Local limitations on the sale of alcohol, especially in an open air venue similar to that envisioned in one of the catalyst concepts proposed in the Old Townsite District

R5. Existing regulations that do not allow for mobile food vendors such as those envisioned in the catalyst concept referenced above in R4 and proposed in the Old Townsite District

R6. Limited diversity in residential products that have been built in the local market during this most recent expansion, and a lack of understanding among community leaders regarding market support and positive impacts

R7. Presence of historically-significant (not designated at either the state or federal level) buildings on the former ACC campus in the Old Townsite District, that while potentially an amenity,

if required to be restored, could increase costs, and limit the location and type of certain uses

R8. Existing zoning in the Study Area that is inconsistent with the vision and objectives for a revitalized State Highway 35 Corridor as expressed herein (see specific recommendations in the **Appendix** regarding amendments to existing regulating resources)

R9. Existing regulations, including design standards that while essential for the success of this redevelopment strategy, do not always support the desired land use or product type (see specific recommendations in the **Appendix** regarding amendments to existing regulating resources)

R10. Presence of environmental contaminants within or impacting properties within the Corridor that prior to development or redevelopment, will require costing remediation

Political Barriers

As acknowledged above, the local government has the largest and longest-term interest and responsibility in a community's economic sustainability; therefore, the City of Pearland needs to have a visible presence and provide ongoing and sustained public support for projects which meet the community's economic development objectives. Together with PEDC, the City needs to provide leadership and participate in advancing economically-challenged, yet desirable projects, by any means possible. Not only do they have the legal responsibility to address many of the implementation components of a redevelopment plan, they are also the logical conduit to local, regional, state and federal funding sources. When used strategically, these funds and their other resources can be used to leverage a heightened amount of early investment, and also catalyze a sustained level of ongoing investment. Presented here is a representative list of political challenges or barriers, impacting investment decisions in the SH 35 Corridor.

Po. Limited understanding of the contribution improvements and businesses in the 35 Corridor make to the City's balance sheet, given the comparatively higher value of development that has occurred along State Highway 288 over the last decade

Po. Limited municipal resources to improve infrastructure and attract new businesses, particularly following the onset of the Great Recession in 2008 and recent adverse impacts to businesses in energy-related industries, thereby constraining public funds for only its highest priority projects which are often its highest value projects

Po. Much of Pearland's growth has occurred over the past few decades, making a significant amount of its infrastructure fairly new and limiting the City's experience with multi-phase redevelopment initiatives that require ongoing public support,

and rarely realize a return on their investment within theearly years of their inception (often beyond the term of many elected officials)

Organizational Barriers

Organizational barriers can present challenges to redevelopment when there are either too many, or too few, entities charged or assuming specific roles in the process. When there are multiple entities - appointed and created, funded and unfunded, with and without specific controls and powers - sharing concern for the same jurisdiction or geography, some efforts end up duplicated, while others go overlooked. In addition, there can be disagreements among the various groups with regard to how specific issues are addressed, and resources expended. Conversely, when there are too few entities who can serve as advocates for redevelopment initiatives and / or assist with the actions required to address the multiplicity of challenges; revitalization efforts can fail before they start. An organizational investigation is an important component of any redevelopment planning effort, and clarification of each entity's roles and responsibilities, a vital part of its approach. Every participant in the implementation process needs to understand the roles of the others, and their progress in advancing identified actions needs to be tracked and coordinated by a single entity. In this instance, PEDC as the lead for the SH 35 redevelopment initiative, will provide this type of coordination. Presented here are the organizational challenges or barriers, impacting investment decisions in the SH 35 Corridor.

O1. Increasing demand on limited facilities to accommodate the demands of a growing and diversifying resident base, for example buildings to host art and cultural programs, exhibits and presentations

O2. Limited number of professionals (economic development / redevelopment specialists) to complete the initiatives identified herein

Actions (to overcome these barriers)

1. Complete accommodations for pedestrian and bicycle trails along and within the SH 35 Corridor as identified in the Pearland Parks and Recreation Master Plan, adopted by the Pearland City Council in November 2015.
2. PEDC and City representatives, work with stakeholders in the Corridor to identify a preferred location for a future transit station in the event a commuter rail line is constructed connecting travelers along Interstate 45 and the larger Houston Metro Area.
3. Complete existing streets in the Old Townsite District with sidewalks appropriately sized to accommodate pedestrians and bicycle lanes where possible. Use available economic development resources to complete near-term improvements on priority streets including Jasmine and Grand Boulevard (see supporting action below) and City Capital Improvement Plan (CIP) dollars for longer-term improvements such as those described in this action, on secondary streets.

4. Develop and complete a wayfinding signage and improvement program in the Old Townsite District that supports physical connections between existing anchors including the recently completed Killen's Barbeque, and future catalyst projects proposed in this subarea and described herein.
5. Explore options for creating a pedestrian crossing in the vicinity of East Jasmine Street on SH 35 for the purpose of accommodating and encouraging east-west movement within the Old Townsite District, as well as connecting existing and future anchors and destinations in this subarea.
6. Amend the Pearland Beautification Strategy for its City Gateways, completed in 2014, to include a gateway treatment in the vicinity of Orange Street and the northern boundary of the Old Townsite District, such as a monument, sign, and / or other urban design feature. Use available economic development resources to complete and maintain these gateway improvements.
7. Update the market information generated as part of this effort on a regular basis and share it with individuals and organizations which use and disseminate this type of data (including real estate brokers, marketing groups, public entities, and others) in an effort to encourage a consistent understanding of existing conditions and investment opportunities.
8. Prepare designs and use available economic development resources to complete priority capital projects in the northern subarea of the Corridor that are described in greater detail in the Catalyst Investment Section of this report, including: roadway, landscaping, non-vehicular connections, and signage improvements that enhance the Corridor's physical environment and support a singular business environment. Amend the current City of Pearland Capital Improvement Plan to include similar improvements in the southern subarea.
9. Encourage and support demonstration projects throughout the Corridor, but particularly on the former Alvin Community College campus located in the central subarea and Old Townsite District. Demonstration projects should be considered those that incorporate a mix of uses and product types, especially those that may as yet be untested in the local market.
10. Explore establishing a façade improvement program and fund where local, state, and / or federal resources could be used to match private dollars (as either grants or low interest loans) to encourage the restoration and redevelopment of older commercial structures in the Old Townsite District.
11. Complete a regional detention feasibility study, previously proposed, for the benefit of properties located within the SH 35 Corridor and its zone of influence; and, encourage any future improvements to include enhanced open space and advance established water quality objectives.
12. Pursue financial resources to assist with financing the "clean up" of Brownfield sites in the Study Area. Among its more than 500 properties, only one, the Rice Drier parcel located on Rice Drier Road in the northern subarea of the Corridor south of McHard Road and north of Orange Street, is known to have verifiable environmentally hazardous contaminants on-site.

However, as reported in previous community plans, there are numerous other sites, based on data from Environmental Risk and Imaging Services that have potentially been impacted by past activities, including former service stations which used underground storage tanks. A specific area of concern, but for which there is no documentation to confirm or refute the presence of hazardous contaminants is the Hastings Oil and Gas Field that based on aerial photography maintains several oil pits.

13. Initiate an education process among property and business owners to share information and solicit interest in establishing a Tax Increment Reinvestment Zone (TIRZ) to supplement financing for public improvements including infrastructure, common spaces, parking and other eligible expenses.
14. Conduct a joint work session with the Pearland Planning and Zoning Commission and City Council so that they understand the strategy's objective to make improvements that serve industry and make the Corridor attractive for relocating and expanding businesses, primarily industrial. With this in mind, encourage a policy that limits rezoning any properties between Old Alvin and Mykawa Roads, located east and west of SH 35, respectively, for residential development of any density.
15. Commission a study of the existing parking infrastructure in the central subarea and particularly in the vicinity of the Old Townsite District and based on its findings, together with this plan's objectives and desired catalyst concepts, prepare a facilities and management strategy that addresses opportunities for shared and structured parking, targeted users, entities responsible for ongoing oversight and other solutions.
16. Improve East Jasmine Street between Main Street and North Grand Boulevard and Grand Boulevard between Jasmine Street and Walnut Street so that they operate more like multi-modal streets with improvements such as complete and wider sidewalks where possible, accommodations for bicycles, amenity zones between the roadway and sidewalks, on-street parking, and potential capacity improvements. Continually amend City capital plans to include those priority projects.
17. Refine the catalyst concept drawing for the former Alvin Community College Campus and incorporate it into a Request for Developers, issued on behalf of the College in partnership with PEDC and the City. Identify desired uses including a mixture of residential, commercial office, and cultural / community / education space; and, objectives such as connections from the project to other venues in the Old Townsite District, use of open and park spaces, architectural character, and appropriate consideration of limitations presented by potential deficiencies in the infrastructure (drainage) along with other possible challenges including the presence of environmental contaminants.
18. Explore the feasibility of initiating certain pre-development activities including: rezoning properties within the campus (see recommendations related to amendments to existing regulatory documents); establishing a General Development Plan for the area located east of Main Street, addressing appropriate street and circulation systems, street cross

sections, and, mix of uses; and, General Site Plan identifying the location of public and private open space, storm water detention and water quality solutions, and other infrastructure issues.

On-Going Involvement

Where many redevelopment initiatives fail is in discontinuing communication about the project with stakeholders who participated in the planning process, and the community at-large. Whereas implementation of the recommendations presented here will likely take several years to complete, it will require the ongoing support and sustained commitment of numerous individuals, boards and commission. Some of those groups that will need to be engaged beyond adoption of this Strategy include:

- **Elected Officials and City Leadership** – including the Mayor and City Manager, along with members of the Pearland City Council and its Planning and Zoning Commission; together with representatives from neighboring jurisdictions and the State (particularly when improvements occur within or adjacent to their boundaries or there are opportunities to share or leverage available resources)
- **Residents** – located adjacent to, or within proximity of the Corridor, so they remain aware of the City's policies related to encouraging compatibility among land uses, and the timing of planned improvements to public spaces including trail corridors
- **Development and Lender Communities** – particularly residential developers, so they remain aware of the City's policies related to encouraging compatibility among land uses, and the timing of planned improvements so they can leverage the location and timing of these investments
- **Business Community** – commercial and industrial business and property owners so they are aware of planned capital improvements so that they can share concerns about possible disruptions, and capitalize on enhancements in terms of their marketing efforts and facility investment plans
- **Special Interests** – including institutional interests such as representatives of school districts and churches in the Area, along with the Chamber of Commerce, Keep Pearland Beautiful, and other special service organizations, especially when there are opportunities for partnerships (programmatic, funding, building, other)

Conclusion

While PEDC and the City started with the SH 35 Corridor, in furtherance of their commitment to *optimizing the development potential of its principal commercial corridors a priority,* knowledge gained during the planning process can be used to inform efforts in other corridors or targeted investment areas. Whereas properties in

these types of environments, infill rather than fringe locations, share some of the same physical constraints, they can benefit from many of the same resources and remedies. A benefit of strategic planning initiatives, as opposed to purely land planning initiatives, is that while they provide solutions for obstacles, and identify resources for implementation. In addition, they provide insight into the private sector perspective, so that initiatives are meaningful.

Since either the public or private sector alone has sufficient resources to advance and sustain a multi-phase and multi-year, it is imperative that the resulting work products, address the interests of multiple audiences. Finally, since all individuals and entities with an investment interest in the Corridor will benefit from area improvements, they too will be held accountable and assigned certain responsibilities in terms of maintenance of their own and shared spaces. Success will depend on partnerships between and among multiple advocates and advocacy groups.

While redevelopment programs are widely understood to be undertakings that benefit not just the investment interests of owners in the Corridor, but also the community at-large, they should be considered both community development and economic development imperatives. As explained earlier, many corporate site seekers place equal value on facility costs, wage rates, and the availability of different facility types, as public commitments to all of its assets and areas. All too often communities focus their economic development efforts on industry growth and attraction, leaving limited resources for improving the climate for redevelopment.

The SH 35 Corridor, with its mix of both new and established businesses and industries, is a formidable economic engine, that's contribution to the community could be diminished without adequate attention and resources. The success of this effort will depend on the delivery of a high-quality, consistently operated and maintained business environment, devoid of obstacles, and supported by sustained public support. To this end, the SH 35 Corridor Redevelopment Strategy is intended to inform how the resources of both PEDC and the City are prioritized to ensure that its redevelopment is accomplished, while balancing private and community investment objectives.

NOTICE OF A JOINT PUBLIC HEARING OF THE CITY COUNCIL

AND

THE PLANNING AND ZONING COMMISSION

OF THE CITY OF PEARLAND, TEXAS

Amendments to the Unifi d Development Code (UDC)

Notice is hereby given that on July 18, 2016, at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, at the request of at the request of the City of Pearland, for proposed amendments to the Unifi d Development Code, Ordinance No. 2000T regarding changes to the Land Use Matrix uses and defi itions, landscaping clarific tions, side setbacks in the single family residential zoning districts, Corridor Overlay District, mechanical irrigation systems, and corrections to text.

At said hearing, all interested parties shall have the right and opportunity to appear and be heard on the subject. For additional information, please contact the Planning Department at 281-652-1765.

Frankie Legaux
City Planner

Planning & Zoning Commission

Recommendation Letter

June 21, 2016

Honorable Mayor and City Council Members
3519 Liberty Drive
Pearland, TX 77581

Re: Recommendation on proposed amendment to the 2015 Comprehensive Plan Ordinance No. 1517-1

Honorable Mayor and City Council Members:

At their regular meeting on June 20, 2016, the Planning and Zoning Commission considered the following:

> Proposed amendment to the 2015 Comprehensive Plan to include the SH 35 Redevelopment Plan.

P&Z Commissioner Starr made the motion to recommend approval of the proposed amendment to the 2015 Comprehensive Plan to include the SH 35 Redevelopment Plan, P&Z Vice-Chairperson Thomas Duncan seconded the motion. The motion passed by a vote of 5-0. Commissioners in attendance at the meeting were: Chairperson Daniel Tunstall, Vice-Chairperson Thomas Duncan, Derrell Isenberg, Troy Pradia, and Mary Starr.

Sincerely,

Frankie Legaux

Frankie Legaux
City Planner
On behalf of the Planning and Zoning Commission

JOINT PUBLIC HEARING
THE CITY COUNCIL CITY AND THE PLANNING AND ZONING COMMISSION OF THE CITY OF PEARLAND, TEXAS,
MONDAY, JUNE 20, 2016 AT 6:30 P.M.
COUNCIL CHAMBERS - CITY HALL-3519 LIBERTY DRIVE

I. CALL TO ORDER

II. PURPOSE OF HEARING

2015 Comprehensive Plan Amendment

A request of the City of Pearland for proposed amendment to the 2015 Comprehensive Plan to include the SH 35 Redevelopment Plan.

III. APPLICATION INFORMATION AND CASE SUMMARY

A. STAFF REPORT
B. CONSULTANT PRESENTATION – FINDINGS AND RECOMMENDATIONS
C. STAFF WRAP-UP

IV. PERSONS WISHING TO SPEAK FOR OR AGAINST THE PROPOSED REQUEST

V. COUNCIL/PLANNING COMMISSION/STAFF DISCUSSION

VI. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing, City Secretary, at 281-652-1655 prior to the meeting so that appropriate arrangements can be made.

Memo

To: City Council and Planning and Zoning Commission

From: Planning Department

Date: June 2, 2016

Re: Amendment to the 2015 Comprehensive Plan to incorporate SH 35 Corridor Redevelopment Strategy

Summary of Request

This is a city-initiated request to amend the 2015 Comprehensive plan to incorporate the SH 35 Corridor Redevelopment Strategy.

One of the main strategies outlined in the Pearland 20/20 Community Strategic Plan is to optimize the development potential of Pearland's principal commercial corridors that are the primary areas of our community's economic activity. SH 35, or Main Street, is one of the three major corridors addressed in the Strategic Plan. The overall development potential of the SH 35 corridor is held back by areas that do not reflect community standards. A SH 35 Corridor Redevelopment Strategy was developed to build upon the Strategic Plan suggestions and provide the "big picture" strategic actions that are needed to encourage more investment in the corridor.

Our Consultant Team, Ricker-Cunningham and Kimley-Horn, completed numerous interviews, facilitated focus groups, and led five steering committee meetings to gather information on existing conditions and develop a framework plan and catalyst concepts for proposed public and private investment along the corridor. Ricker-Cunningham then presented their findings at a public open house meeting on April 25, 2016.

The vision that resulted is to create a high quality and consistently-designed employment and business environment with compatible land uses and supportive amenities. By improving infrastructure and streetscape within the corridor, the image and sense of place, market appeal and overall taxable value of the area can increase dramatically. The Redevelopment Strategy will serve as a long-term guide that will be used to carry out phased projects over time throughout the corridor.

The Redevelopment Strategy identifies five catalyst concept areas with development strategies for those areas. The five catalyst concepts include:

1. Northern Gateway Entrance and Corridor Streetscape Improvements
2. Business Park North
3. Restaurant and Entertainment Destination, and New Main Street Buildings in an Urban Design
4. Old Town Esplanade and New Community on former Alvin Community College Campus
5. Business Park South

The catalyst concept areas were identified based on the following criteria:

- Potential to support a market opportunity
- Opportunity to strengthen and/or link existing districts or activity centers
- Ability to leverage existing or planned investment
- Surrounded by a supportive physical environment (parks, open space, etc.)
- Favorable property ownership patterns
- Compatible with policy and regulating documents
- Availability of resources to address challenges
- Presence of supportive entities (adjacent landowners, few opponents)

The intent of the development strategies identified for each of the catalyst concept areas is to leverage public and private investment through various means such as infrastructure or aesthetic improvements, despite the areas' challenges and barriers to redevelopment, and stimulate continued interest through its area of influence.

The Redevelopment Strategy also identifies various courses of action to take towards implementing the development strategies, including guiding principles that provide direction to the City leaders and community as a whole in decision making processes as it relates to backing policies and investments that support redevelopment.

Conformance with the Comprehensive Plan

The Redevelopment Strategy is in conformance with the 2015 Comprehensive Plan that recommends an expanded focus on redevelopment planning and effective management of infill development and adaptive re-use of properties in older areas and corridors as these activities become more prevalent in Pearland along with ongoing development of new uses and vacant land. The 2015 Comprehensive Plan also recommends a continued emphasis on development quality and aesthetic considerations in ongoing development review and approval processes, as well as with public facility construction and upgrades.

One of the nine core strategies in the 2015 Comprehensive Plan, that incorporates the Pearland 20/20 Community Strategic Plan, was to "optimize the development potential of Pearland's Principal Corridors." Due to recent road improvements, SH 35 was singled out in Comprehensive Plan as one of the corridors that would benefit from a redevelopment plan. The SH 35 Redevelopment Strategy is intended to supplement

existing zoning regulations that will foster economic development and urban revitalization by directing growth and development along the corridor.

Recommendation

Staff recommends approval of the proposed amendment to the 2015 Comprehensive Plan.

Additional Comments

All property owners in the strategy area were invited by an individual mailing to an open house to present the plan and receive comments that was held on April 25, 2016. The Strategy has been approved by the Board of Directors of the Pearland Economic Development Corporation.

Public Notification

A legal notice of the public hearing was published in the local newspaper.

Opposition to or Support of Proposed Request

Staff has not received any comments in opposition to or in support of the proposed amendment.

Exhibit:

SH 35 Corridor Redevelopment Strategy

SH 35 Corridor Redevelopment Strategy

June 2016

Prepared for:

PEARLAND
ECONOMIC DEVELOPMENT CORPORATION

Prepared by:

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Executive Summary

During the first quarter of 2014, Ricker|Cunningham (RC), Real Estate Economists and Community Strategists, together with the Land and Transportation Planning Division of Kimley-Horn (collectively the Consultant Team), were retained by the Pearland Economic Development Corporation (PEDC) to assist with preparation of this State Highway (SH) 35 Corridor Redevelopment Strategy. Redevelopment of the city's principal commercial corridors, including the SH 35 Corridor / Main Street was identified as one of nine key initiatives in the Pearland 20/20: A Blueprint for Pearland, Texas, an economic development strategy adopted by the City and PEDC Board in October 2012. Their repositioning was also acknowledged as a priority action in the City's recently updated Comprehensive Plan. In the context of the SH 35 Corridor, an additional objective was "articulation of a plan and program for implementation that would most effectively leverage recently completed TxDOT improvements within the public right-of-way."

Study Area (Boundaries)

The portion of the SH 35 Corridor which was the subject of this effort generally extends 7.2 miles from Clear Creek on the north, to approximately Hastings Cannon Road on the south, locations that correspond with the city's northern and southern municipal boundaries. Among the 540 properties and 2,600 acres which comprise the Study Area, most are located contiguous to the Main Street Corridor along its eastern and western edges. Another significant concentration is found within the Old Townsite District. Major roadways, some of which provide connections to points east and west within and beyond the city limits include: McHard Road, Orange Street, FM 518 / Broadway Street, Walnut Street, Magnolia Street / John Lizer Road, Bailey Road/Oiler Drive, and Dixie Farm Road, bisect the Study Area.

Participation and Input

In addition to technical analyses, a variety of venues provided opportunities for stakeholders and the community at-large to offer input regarding a vision for the SH 35 Corridor. These included focus groups and one-on-one meetings with business and property owners, lenders and developers; and, an open house where a framework for public improvements and an overview of supportable catalyst concepts were profiled. Overseeing the entire strategy process was an Advisory Committee of representatives from various private, public and institutional entities. As specialists in their respective fields and familiarity with the Corridor and community at-large, their input and participation was considered essential for the success of the project.

Shared goals among the participants included a desire for an enhanced physical realm, stronger vehicular and non- vehicular connections and accommodations (bicycle and

pedestrian); and, a climate for investment considered favorable by business owners and operators. Many identified the need for a more diverse and supportive mix of businesses, and more attention to the condition of the properties by their owners.

Existing Conditions

The Study Area and its existing pattern of development, while not atypical of other established corridors in communities located on the periphery of a major metropolitan area, possesses conditions, both visible and non-visible, which can influence investment decisions. Among the most pervasive are those related to deficient infrastructure, existence of waterways, and presence of natural resource extraction facilities. Capital improvements, onsite and offsite, that will be necessary to either eliminate or mitigate the physical challenges present include: stronger connections, both vehicular and non-vehicular; new and relocated utility lines; public and open spaces and landscaping; and, other enhancements that will promote greater contiguity in the character and quality of its built environment.

Market Overview

Market analyses associated with an area-wide strategic planning assignment such as this one are essential whereas they serve to provide a “reality check” for conceptual development recommendations; and an independent “story” to tell potential investor audiences.

The vision for a redeveloped SH 35 Corridor is a business park environment with business and industry being the dominate land uses, and commercial retail and restaurants and possibly institutional facilities, secondary uses. Based on the investigation of market conditions completed for this effort, the Study Area is well-positioned to compete for market share among these product types, with attainable market share ranging from 2% to 25%. While actual investment levels will be dictated by numerous factors including: the physical capacity of the area to accommodate development; desire of property owners to invest, reinvest or reposition their parcels to advance the objectives stated herein; and, effectiveness of PEDC and the City to “ready the environment for investment." and commit, long-term, to the stated objectives explained herein.

Framework Plan and Catalyst Concepts

Acknowledging that it will take many years and multiple actions by a host of advocates to realize a redeveloped SH 35 Corridor; the experience of other communities that have successfully advanced similar initiatives has shown that the strategic approach needs to include area-wide and project-specific recommendation. To this end, the SH 35 Corridor Framework Plan identifies the location of proposed public improvements and boundaries of districts where

certain land uses will be encouraged to locate. Proposed amenities and enhancements to the public realm include those that will unify uses, connect centers of activity, and improve its aesthetic appeal. Projects with the potential to both demonstrate support within the market for untested product types, and catalyze private investment, include both capital expenditures and private developments. Among the five project concepts identified, they offer either near-term development potential, or the ability to mitigate adverse conditions. Each one and their purpose is described as follows.

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Purpose: Offer a business location for office and industrial users seeking a high quality setting offering supportive infrastructure and amenities and access to points north and south of Pearland and Houston Metropolitan Area.

Catalyst No. 2 - Business Park North

Purpose: "Ready" or position properties (both private and public) for investment by completing due diligence research efforts on behalf of private sector property owners by identifying and eliminating barriers to investment, and streamlining the timeframe between site acquisition and / or completion of vertical improvements.

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination and 3b. Main Street Buildings and Urban Environment

Purpose: Establish a destination for residents and visitors with commercial venues unique to the area and its "gritty character" and compatible with existing uses that correspondingly provide an environment to incubate local businesses and grow Old Town's dining and shopping offerings.

Catalyst No. 4 - 4a. Old Town Esplanade and 4b. New Community on former Alvin Community College Campus

Purpose: Introduce pedestrian and streetscape improvements which solidify Old Town as a destination for residents and visitors, balancing vehicular and non-vehicular movement, connecting existing and future centers of activity, and catalyzing property investment and reinvestment.

Catalyst No. 5 - Business Park South

Purpose: Offer an alternative to the northern segment of the Corridor for business and industry seeking a highly amenitized environment with expansion opportunities and proximity to regional north-south transportation corridors and points south of the Houston Metropolitan Area.

The strategic approach for revitalizing the SH 35 Corridor is based on proof that *private investment follows public commitment.* Therefore, a primary objective is to “leverage” community resources, amenities and improvements, in an effort to encourage

private development. While the public sector lead rarely realizes a favorable return on their investment during the early phases of the redevelopment program, most if not all do over the mid- to long-term. Collectively, the catalyst concepts have the potential to generate over $240 million in new private investment, and require less than $8 million in public investment, for an overall public : private return on investment of 30: to 40:1 ($30 to $40 spent by the private sector for every $1 spent by the public sector).

Implementation

The strategy for promoting development and redevelopment within the SH 35 Corridor is based on an awareness of existing conditions desired outcomes, and market realities. Its major components include a Vision, Guiding Principles for decision-making, and Development Approach to positioning the Area for investment. A fourth component, Actions to eliminate obstacles and capitalize on opportunities, are provided in the full report.

Vision

The recommended vision for revitalization of the SH35 Corridor Study Area is ... *a high quality and consistently-designed employment and business environment with compatible land uses and supportive amenities. It will be the community's principal center for new and expanding industries with less impactful operations concentrated in its northern segment. Commercial businesses will primarily be those that support the daytime needs of employers and their employees such as restaurants, supply stores, and maintenance facilities. Larger format commercial businesses will be encouraged to locate near the Corridor's core, where there is already an established base. Along the southern edge of the central segment, the Old Townsite will include a broad mix of product types within a limited number of land use categories, primarily residential, commercial retail and office. Once the community's first district for commerce and industry, new investment will leverage established residential neighborhoods, mature vegetation, and a gridded street system. Uses will build on what is already there, attracting both residents and visitors, and extending their stay. Public improvements will include spaces to host community events while also connecting various activity areas. Early development and redevelopment projects will be encouraged to include both public enhancements and private uses that may, or may not as yet, be tested in the local market, as demonstrations of what is envisioned over the near- and long-term.*

While this SH 35 Corridor Redevelopment Strategy is intended to inform and guide future growth in the Study Area over the near- and long-term, it is a policy, not regulating document. Therefore, the only way to protect the expressed vision and advance the desired improvements, is to ensure alignment among relevant City regulatory resources over the long-term; and provide guidance that fosters sound decision-making by the City's leaders over the near-term. Information to assist public officials is presented here as guiding principles. *Guiding Principles* are defined as "representing a

broad philosophy that guides the organization throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management filter for decisions at all levels of the organization." Each one, presented below, while general in nature, is intended to reflect existing challenges, potential opportunities; and, input from experts in the fields of finance, development, business, and industry.

Guiding Principles

1. The City will maintain a proactive and sustained attitude towards redevelopment that is consistent with the vision for the Corridor.
2. The community's vision for the Corridor will be reflected in supporting policies and regulations.
3. Industrial and commercial land uses will be encouraged in appropriate locations so as to maintain the desired character of each segment of the Corridor.
4. Development standards will be appropriate for the expressed vision and catalyzing concepts within the various segments of the Corridor.
5. Property owners will be provided with knowledge and analyses (due diligence) resulting from this process in an effort to encourage desired investment.
6. Capital projects will be phased to encourage new investment, first, and improve conditions for existing uses, second.
7. Enhancements to public spaces will be consistent with the vision for an employment center environment and include new and replacement projects despite the age and condition of existing improvements.
8. Policy, vision and regulatory documents superseded by the objectives expressed in this SH 35 Corridor Redevelopment Strategy will be updated and in the interim variances afforded for select projects deemed consistent with the objectives stated therein.

Development Approach

Any approach by a public entity to encouraging investment in a defined geography should cultivate streamlining the delivery of both capital improvements, and either development-ready or unimproved sites, to the market. To this end, the approach for redeveloping the SH 35 Corridor involves public participation in two arenas -- the Study Area as a whole and distinct projects with an opportunity to realize near-term investment.

The approach here assumes PEDC, together with the City, will act as the master developer of improvements in the Study Area, and as such will lead the financing and contraction of off-site infrastructure and enhancements, as well as assist with select on-site improvements, particularly those completed in an effort to better position key parcels for investment and expedite building construction.

As the City's lead agency for industry attraction, PEDC will provide oversight and act as the lead on development requests, and use its resources to fund infrastructure and utility improvements; while the City will lead enforcement of regulations. As the entity with the largest and longest-term interest in the area, and the City's agent for advancing economic initiatives, PEDC should consider, if resources are available, early and ongoing acquisition of property a priority, particularly given the numerous advantages for the private sector when acquiring property from public and non-profit entities, among them -- lower carrying costs, less uncertainty regarding entitlements, and, the potential for monetary incentives.

Financing mechanisms used to fund improvements in the Corridor should include a range of resources, used individually and in different combinations. Possible sources include: grant and bond revenues, low or no interest loans, future district revenues, and existing economic development program dollars. Additional sources could include: bank, state and federal matching funds, municipal resources, private fees and incremental tax dollars. Capital improvements, delivered by the public sector, that make an area attractive for development and stabilize the investment climate, should be considered an economic contribution with monetary value, whereas they have the potential to close a financial gap. Matching economic development incentives to direct investments in the physical environment, and indirect contributions to the fiscal concerns, are frequently the most successful approach.

As the organizational entity that will assume responsibility for the revitalization effort; and, be the one to maintain development oversight; as well as, fund, finance and negotiate development agreements and leases; PEDC should also be the one to manage and market properties, either together with or on behalf of property owners. Additional support should be provided by representative governments, advocacy entities and regional economic development organizations. Further, a carefully designed and consistently administered marketing program should be an early actionable item. Individuals and organizations that support and promote investment, along with local officials and business associations, need to coordinate their marketing efforts. Ideally, the City and PEDC, will establish common goals and objectives, along with consistent policies, and whenever possible, share and leverage resources. When private interests request assistance with marketing their properties to developers or other users (either on their behalf or in partnership), various approaches should be considered including: issuing developer requests, retaining brokers, and attaching these parcels to other community-wide efforts to attract business and industry to the local market.

In addition to supporting PEDC, the City's principal role in this revitalization effort will be to align and enforce all relevant policy and regulating resources with the expressed vision and objectives for the Corridor. In this context, the City will be expected to establish standards of development that will effectively minimize private sector investment risk by ensuring a consistent and quality building environment. The experience of many, if not most,

communities involved in similar initiatives has shown that while a higher standard of development must be established in areas targeted for reinvestment, they should be appropriate for the desired uses and reflect intended outcomes. In addition, if during the early phases of the redevelopment effort, these standards have a financial impact that renders a desirable project infeasible, the lead entity should consider providing resources to fill any resulting economic "gap." During its later phases, it is highly likely that market conditions will have reached a state of equilibrium wherein project revenues should be sufficient to cover this type of project cost.

Conclusion

The SH 35 Corridor, with its mix of both new and established businesses and industries, is a formidable economic engine, that's contribution to the community could be diminished without adequate attention and resources. The success of this effort will depend on the delivery of a high-quality, consistently operated and maintained business environment, devoid of obstacles, and supported by sustained public support. To this end, the SH 35 Corridor Redevelopment Strategy is intended to inform how the resources of both PEDC and the City are prioritized to ensure that its redevelopment is accomplished, while balancing private and community investment objectives.

Whereas the Study Area has many property owners, and each one maintains individual entitlements, achieving an appropriate balance of uses will be highly dependent on the partner entities' efforts and their willingness and ability to employ a combination of policies, incentives and regulations to inform and guide investment. Beyond its uses, successful development of the Study Area will depend on a commitment to quality over quantity as reflected in a unified program of signs, gathering places, and landscaped features; appropriate transitions between uses; access to, yet preservation of natural amenities; and, improvements of a suitable scale.

Experience has shown that publically-initiated redevelopment efforts such as this one, are accomplished in multiple phases, and usually over several years. The authors of this report expect the same for the Study Area, however, based on PEDC's past performance, it is highly likely that the recommendations outlined here, will be completed more quickly than anticipated. This statement is supported by the record of accomplishments completed by the PEDC, both prior to and following adoption of the 20/20 Blueprint Plan.

Section 1:

Introduction

During the first quarter of 2014, Ricker|Cunningham (RC), Real Estate Economists and Community Strategists, together with the Land and Transportation Planning Division of Kimley-Horn (collectively the Consultant Team), were retained by the Pearland Economic Development Corporation (PEDC) to assist with preparation of this State Highway (SH) 35 Corridor Redevelopment Strategy (*also referred to as* - this SH 35 Corridor Strategy, Redevelopment Strategy and Strategy). Redevelopment of the city's principal commercial corridors, including the SH 35 Corridor (*also referred to* as - the Corridor, and Study Area) was identified as one of nine key initiatives in the Pearland 20/20: A Blueprint for Pearland, Texas (*also referred to as* - the 20/20 Strategic Plan, and 20/20 Plan), an economic development strategy adopted by the PEDC Board in October 2012. The 20/20 Strategic Plan was commissioned by PEDC, together with local partners in government, education, healthcare and business, for the purpose of "establishing a shared vision for the community's future growth and an action plan to achieve it."

PEDC and Pearland 20/20: A Blueprint for Pearland, TX

As explained in the City of Pearland Comprehensive Plan (2004), "The PEDC was created by the City of Pearland in 1995, to promote the Pearland area for business expansion and relocation. The PEDC is a non-profit corporation, supported by a voter approved 1/2 cent sales tax that operates as a department of the City. It is staffed by City employees and managed by a Board of Directors who together create and implement programs to aid in the economic development of the community."

The specific initiative and strategic actions that this SH 35 Corridor Redevelopment Strategy advances are presented as follows:

> **Key Initiative No. 3.0 Optimize the development potential of Pearland's principal commercial corridors.** Pearland has three primary corridors – SH 288, FM 518/Broadway, and SH 35 – all of which have the potential to support additional business and pedestrian activity. Grand Boulevard in the Old Townsite also has transformational potential. However, while pockets of quality development have occurred, the overall look and feel of these corridors is being held back by areas that do not reflect community standards. Such dynamics can inhibit investment appeal to companies considering relocation. Positioning these corridors to support catalytic development will be a high priority as Pearland continues

to mature and build its stock of primary jobs.

Strategic Action - Leverage recent road improvements to create a SH 35 Redevelopment (Plan) Strategy.

Strategic Action - Formalize a process, toolkit and priorities for redeveloping aging Pearland neighborhoods and character districts.

City of Pearland and 2015 Comprehensive Plan

In addition to furthering recommendations presented in the 20/20 Plan, this SH 35 Redevelopment Strategy could also move forward priority action tasks identified in the 2015 Comprehensive Plan, as long as they are revised to reflect objectives for the Study Area which are defined in greater detail in subsequent sections of this document. Those priorities include the following:

Growth Capacity and Infrastructure

Strategic Priority 1: Cost of Growth / Land Use Study – understand the fiscal implications for City government of how remaining developable land in Pearland's city limits and Extraterritorial Jurisdiction (ETJ)

Strategic Priority 2: Regular Updating of Utility Master Plans – regularly update of the three key utility infrastructure master plans – water, wastewater and storm drainage – especially during periods of rapid land development activity

Mobility

Strategic Priority 2: Targeted Capital Projects – provide ongoing investment in street and highway construction, extensions and upgrades will remain a prime focus of municipal government

Strategic Priority 3: Sidewalk Network Upgrades – provide needed sidewalk improvements (in and around neighborhoods), to encourage walking and facilitate a safe walking environment

Housing and Neighborhoods

Strategic Priority 1: Greater Housing Variety – focus on diverse housing types and mixed-use development on various special districts within Pearland, (e.g., Old Townsite); consider a "flex" district overlay which allows for a series of residential development options and lot sizes

Strategic Priority 2: Regulatory Relief for Redevelopment – consider adding new or adjusting current Unified Development

Code (UDC) provisions that allow for relation of specified standards, especially to make a clearer connections to the community objective of encouraging desire redevelopment activity (e.g., Old Townsite)

Strategic Priority 3: Expanded Focus on Neighborhoods – explore options, and research models for neighborhood planning and an associated coordination of services

Section five of the Comprehensive Plan defines the City's intentions with regard to maintaining and growing its economic development infrastructure. In the context of that discussion, there are numerous references to the 20/20 Blueprint Plan, including a "next level" of action steps under the original nine core strategic actions. Those that most closely align with recommendations for a revitalized SH 35 Corridor include actions which will leverage recent TxDOT road improvements, and beautify public spaces and gateways.

Experience has shown that publically-initiated redevelopment efforts such as this one, are accomplished in multiple phases, and usually over several years. The authors of this report expect the same for the Study Area, however, based on PEDC's past performance, it is highly likely that the recommendations outlined here, will be completed more quickly than anticipated. This statement is supported by the record of accomplishments completed by the PEDC, both prior to and following adoption of the 20/20 Blueprint Plan, which is presented in **Appendix A**.

Purpose

The purpose of this Redevelopment Strategy, as defined in PEDC's request for services, was to "*provide a market-based plan and implementation strategy for revitalization of the SH 35 Corridor/Main Street that would advance the expressed vision (in the 20/20 Plan) and leverage recent TxDOT streetscape improvements.*" As presented above, this purpose statement reflects Strategic Actions, of Key Initiative 3.0, of the 20/20 Blueprint Plan.

Approach and Methodology

The scope of work for this assignment included detailed analyses of: conditions that could impact investment decisions (public and private); local and regional real estate markets and industry trends; existing physical conditions; policy and regulatory documents that will inform design and development patterns; and, planned initiatives and available resources. These quantifiable analyses were supplemented by qualitative discussions with a range of stakeholder audiences, identified below. Major components of the proposed strategy for furthering the proposed strategy for furthering the vision and

objectives identified here include: priority publically- and privately-funded physical enhancements; market-supported concepts including a range of uses and product types with the potential to catalyze development and redevelopment activity; and, strategies to overcome obstacles to, and capitalize on opportunities for, investment. Note: A *catalyst concept,* in the context of this Strategic Plan, is defined as *a development and / or redevelopment program with the potential to have a positive economic ripple effect on properties within an area of influence*. Further, while some of the concepts are area-specific, addressing an existing condition or circumstance, others are non- area-specific, therefore offering the potential for multiple applications within the Corridor. An approach to advance each one is provided in the larger implementation discussion presented in the final section of this report.

Study Area (Boundaries)

That portion of the SH 35 Corridor which is the subject of this analysis generally extends 7.2 miles from Clear Creek or the Pearland municipal boundaries on the north, to its municipal boundaries on the south, or approximately Hastings Cannon Road. Properties within the Area include those located contiguous to the highway along its eastern and western edges, as well as a significant portion of the Old Townsite District. SH 35/Main Street is one of the city's original north-south roadways and a significant entryway into the community. It is bisected by several east-west thoroughfares including McHard Road, Orange Street, FM 518/Broadway Street, Walnut Street, Magnolia Street/John Lizer Road and Bailey Road/Oiler Drive. FM 518/ Broadway Street connects uses in the Corridor to SH 288, a north-south limited-access highway located in the western portion of the city. Dixie Farm Road, which runs perpendicular to the SH 35 roadway along its eastern edge and located south of Bailey Road/Oiler Drive, connects uses in the Corridor to Interstate 45 (I-45) located in the eastern portion of the city. A variety of land uses and businesses are located within the Study Area, the dominant ones being light and heavy industrial in its northern and southern segments, and commercial uses at its core. While the vision for a redeveloped SH 35 Corridor does not deviate significantly from its current land use pattern, it does encourage concentrating compatible uses, and complementing primary uses with secondary uses, distinct subareas or districts.

Participation and Input

As noted above, a variety of venues were provided throughout the 15-month strategy process for stakeholders to review and consider the project findings and final recommendations. A description of each one is presented as follows.

Advisory Committee

A committee of representatives from various private, public, and institutional entities, were invited to serve as advisors to the Consultant Team. As specialists in their respective fields and familiarity with the Corridor and community at-large, their input and participation was considered essential for the success of the project. Advisory Committee members include:

Members (listed here) met six times between October 2014 and May 2015 to provide feedback and guidance on project-related issues. In addition, they served as channels of communication between the strategy team and organizations they represent.

Committee Members

Matt Buchanan	President, PEDC
Lata Krishnarao	Director, City of Pearland - Community Development
Tom Alexander	Owner, TA Properties
Alan Mueller	VP, Gromax Development
John Loessin	Owner, Ace Hardware
Carol Artz-Bucek	President / CEO, Pearland Chamber of Commerce
Manhar Das	General Manager, Best Western
Dr. Elizabeth Smith	Owner, Pearland Vision Center
Brandon Dansby	Board of Directors, PEDC Sr. Vice President CRA Officer Pearland State Bank
Gary Idoux	Board of Directors, PEDC President, Capital Bank
Mark Ingram	Director of Traffic Engineering, Cobb, Fendley and Associates, Inc.
Keith Ordeneaux	Pearland City Council, Pearland ISD

Open House

An open house was conducted prior to presentation of the final strategy document to City of Pearland appointed and elected officials. Meeting notices were sent to all property and business interests in the Study Area, as well as members of the Advisory Committee and other boards and commissions. In addition, a general notice was posted on PEDC's website. During this forum, potential investment and reinvestment concepts were presented and input solicited regarding their local application given the current political and business climate.

Focus Group Meetings

Several focus groups meetings were facilitated by members of the Consultant Team during an early phase of the strategy process. Participants were identified from groups including: institutions, business owners - commercial and industrial, property owners, and lenders (public and private). Each group was comprised of 12 to 15 people, and discussions focused on opportunities and challenges to investment in the Study Area and community at-large. The meetings were held at PEDC's offices, but facilitated by Consultant Team members so that individual responses remained confidential.

One-On-One Interviews

In addition to the focus groups, Consultant Team members conducted confidential in-person and telephone interviews with property owners and developers regarding past and ongoing efforts to invest in the Study Area and community at-large. The purpose of these discussions was to understand past challenges, as well as share market knowledge while exploring potential development partnerships. The interviewees (listed below) were identified by representatives of PEDC.

Participants

Jerry Koza	Profax
Mark Ring	Kemlon Products
Edward Ferguson	Wal-Mart
Paul Grohman	Gromax Development
Alan Mueller	Gromax Development
David Miller	PEDC
Stephan Robinson	Ardent-Hardcastle Commercial Real Estate
Renee McGuire	R West Development
David Miller	Prudential Premier Properties

Client and Consultant Team Calls

Project Team calls were conducted periodically throughout the strategy process so that its progress could be monitored, and information about on-going occurrences in the community (planned and proposed projects) could be shared. Representatives of PEDC hosted the calls, while members of the Consultant Team provided the agenda and its content.

City Leadership Updates and Other Presentations

Presentations were made by representatives of PEDC and members of the Advisory Committee, throughout the assignment, to select boards and commissions. Some of these groups included:

- 20/20 Strategic Plan Committee Meeting
- PEDC Board Meeting
- Pearland Planning and Zoning Commission
- Pearland City Council

Summary of Input

Within all of these forums, comments received tended to fall within the following broad categories: recently completed TxDOT roadway improvements, patterns of growth within the city, the Corridor's business climate, physical conditions, and opportunities for improvement and investment. Frustration was widely expressed regarding a "lack of connection" between, and to, businesses within its boundaries. Some industrial operators expressed concern with the number of residential developments that had either been approved, or were developing in locations with the potential to experience impacts from business operations in the Corridor.

Comments associated with what they referred to as the "protracted TxDOT improvement project" were primarily offered by commercial operators located in the central portion of the Study Area. Note: This assignment started shortly after TxDOT completed the first phase of its SH 35 roadway improvement project.

Universal goals for the Study Area included: capital improvements to the physical realm; stronger vehicular and non-vehicular connections and accommodations (bicycle and pedestrian); and, a favorable climate for investment. Stakeholders expressed that while SH 35 is a locally recognized "business address," it does not have the regional recognition that it could if efforts were made to establish a cohesive physical, regulatory, and marketing program that could be promoted throughout the Houston Metropolitan Area. Other goals included -- more efficient use of land, supportive and more diverse mix of businesses, and heightened attention to maintenance of sites and buildings. Finally, participants expressed appreciation for this and other efforts, by PEDC and the City, to improve conditions while maintaining a supportive environment for business and industry. Specific comments received are presented in **Appendix B** of this document.

Past Efforts

Reports and analyses prepared prior to this assignment, many of which served as a foundation for this effort, include those listed below, in the order they were completed. Note: Recommendations regarding amendments that would eliminate discrepancies, and correspondingly align the objectives of these documents and this Strategy, are presented in **Appendix C**. Regardless, PEDC and City Staff should determine if amendments to some, or all of these documents, will further the goals and objectives stated herein related to redevelopment of the SH 35 Corridor.

- City of Pearland 2015 Comprehensive Plan
- Parks and Recreation Master, 2015
- Beautification Strategy: City Gateways, 2014

- Pearland 20 / 20: A Blueprint for Pearland (Pearland 20/20 Strategic Plan), 2012, 2013
- Pearland Development Handbook
- Pearland Parks Master Plan, 2012
- Grand Boulevard Old Townsite Masterplan, 2011
- City of Pearland Capital Projects (CIP)
- Pearland Public Facility Study Final Report, 2009
- Old Town / Public Facility Study (SPPRE), 2009
- SH 35 Major Corridor Feasibility Study (MCFS), 2007
- Pearland Old Town Pedestrian Plan, 2006
- Old Townsite Downtown Development District Plan, 2005
- Pearland, Texas - Code of Ordinance (Municipal Code)

Report Format

This SH 35 Corridor Redevelopment Strategy is divided into the following five sections: Introduction, Existing Conditions, Market Overview, Framework Plan and Catalyst Concepts, and Implementation. Each section includes: data, analyses, and recommendations, all of which may be used to promote the community and Corridor to businesses, industries and development prospects.

Conclusion

This SH 35 Redevelopment Strategy has been prepared to -- confirm the vision expressed in the Pearland 20/20 Strategic Plan, inform expenditures on capital improvements (both functional and aesthetic), demonstrate the economic benefit and feasibility of catalyst development projects; and, clarify the roles and responsibilities of both public and private sector individuals and entities who will advance the strategic recommendations identified herein. As both a planning and strategic document, it is intended to provide the PEDC, in partnership with the City and various property and business interests, with information to focus and prioritize their development resources and efforts.

The ability of the SH 35 Corridor to capture a fair share of future investment in the city will be based not only on continued growth in the region, but on the community's willingness to commit, long- term, to the stated objectives explained herein. While somewhat specific in its description of a preferred vision for the Corridor and supporting physical improvements, it is also intended to be flexible enough to respond to market conditions that will inevitably change over the course of its implementation. Ideally, it will be used as a guide for land use decisions, and reference for policies and regulations.

Section 2:

Existing Conditions (Study Area)

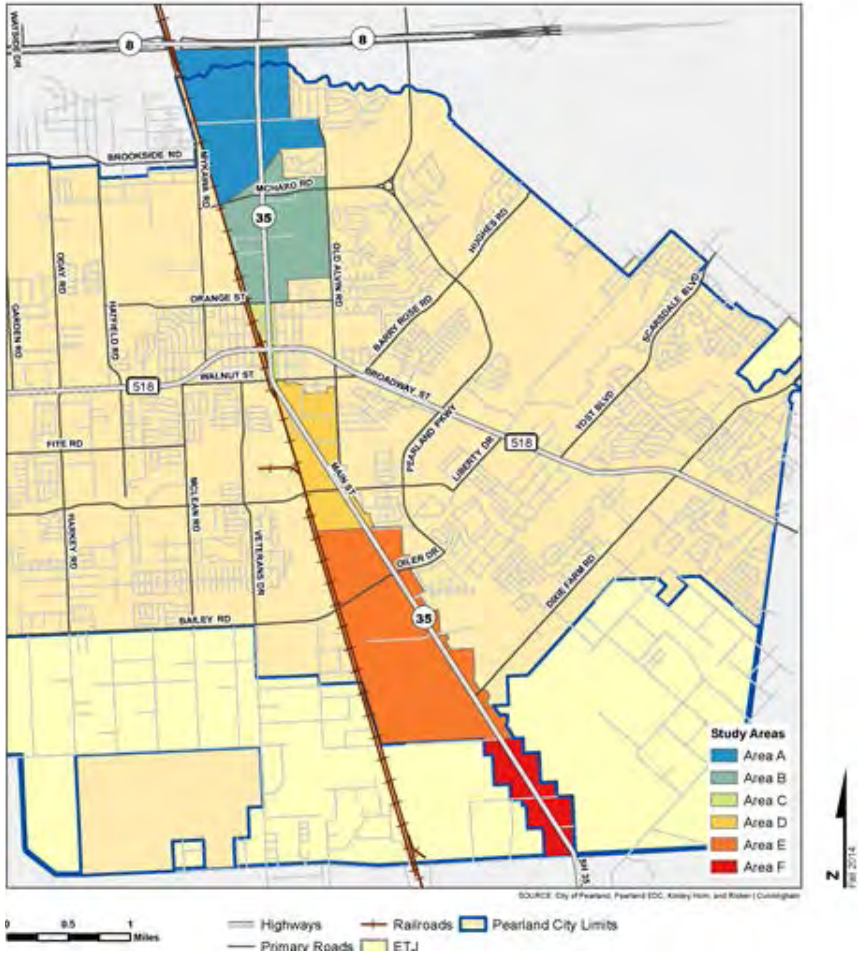
Planning for the redevelopment of communities and markets within them requires an understanding of key conditions, both visible and non-visible, all of which can influence development decisions. The discussion which follows provides an overview of those conditions that individually, and collectively, offer an indication of how "ready" the Study Area is for new investment and reinvestment.

Area and Segment Details

The boundaries of the SH 35 Study Area are generally the Pearland municipal boundaries or Clear Creek on the north, Burlington Northern Santa Fe (BNSF) rail lines on the west, Pearland-Alvin city boundaries on the south, and eastern extent of parcels located contiguous to the Corridor's eastern edge. It is approximately seven miles in length and maintains more than 540 properties within its boundaries, comprising more than 2,600 acres. Located within the Pearland city limits and Brazoria County, it is situated in the southcentral portion of the Greater Houston Metropolitan Area. As explained in the previous section, several major roadways bisect the highway within the Study Area boundaries including: McHard Road, Orange Street, FM 518/Broadway Street, Walnut Street, Magnolia Street/John Lizer Road, Bailey Road/Oiler Drive, and Dixie Farm Road.

Given its length and size, it was determined that the most efficient approach for analyzing conditions within the Corridor was by grouping parcels into six segments (A - F), and then reporting the findings at a segment-by-segment, rather than parcel-by-parcel level. Based on knowledge gained through completion of the work described in this section, it became obvious that there are actually three fairly obvious segments, or subareas. In the analyses presented in the following sections of this Strategy, locations within the Study Area are referred to as the northern, central and southern subareas. An illustration of the boundaries of the original six segments is presented as **Figure 2-1**.

Figure 2-1: SH 35 Study Area Boundaries and Segments



Conditions analyzed and described in the discussion which follows include:

- Physical Conditions
- Utilities and Pipelines
- Roadways and Railways
- Bikeways and Trailways
- Natural Resource Extraction Facilities
- Hazardous Contaminants
- School Districts
- Parks and Open Space
- Zoning
- Existing Land Uses
- Future Land Uses
- Parcel Characteristics

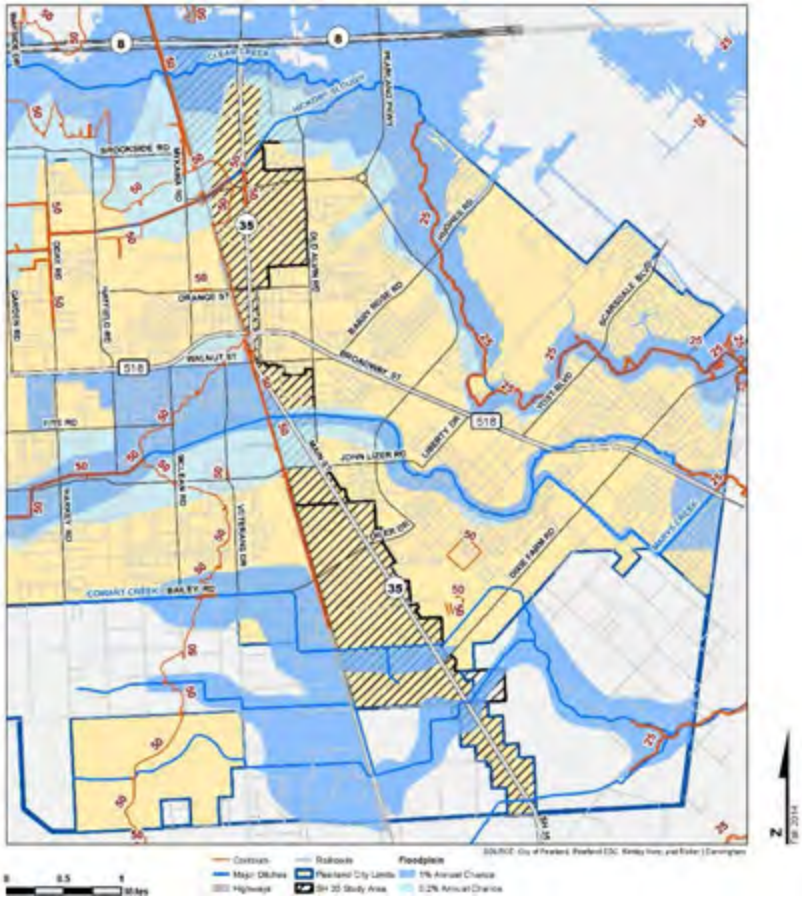
Physical Conditions

Physical conditions, both natural and man-made, can influence not only the type of land uses that develop within a certain geography, but also their format -- horizontal or vertical, above grade or below. Taken independent of regulations, they can impact the: location and configuration of buildings; capacity of affected parcels to accommodate development and redevelopment; and, land use pattern of an entire geography.

Physical conditions impacting parcels within the SH 35 Corridor include natural features such as floodplains, drainageways, and geologic faults; along with man-made improvements such as utilities, pipelines, roadways, railways, natural resource extraction facilities, and their supporting infrastructure; as well as, the presence of hazardous contaminants. A description of man-made resources and contaminants are presented below.

Figure 2-2 illustrates the location of major floodplains and drainageways within and traversing the Study Area. Clear Creek, one of the city's significant drainageways, runs through northern and northeastern portions of Pearland in a natural state, and serves as the Study Area's northern boundary. Two tributaries of Clear Creek, Mary's Creek and Cowart Creek, also significant drainage channels, bisect the Corridor within its central and southern segments. Although no lakes or other significant bodies of water impact properties within the Area, existing drainageways present sufficient influence that region-serving detention systems will be an essential improvement in the Corridor if the level of investment envisioned herein is realized.

Figure 2-2: Floodplains and Drainageways



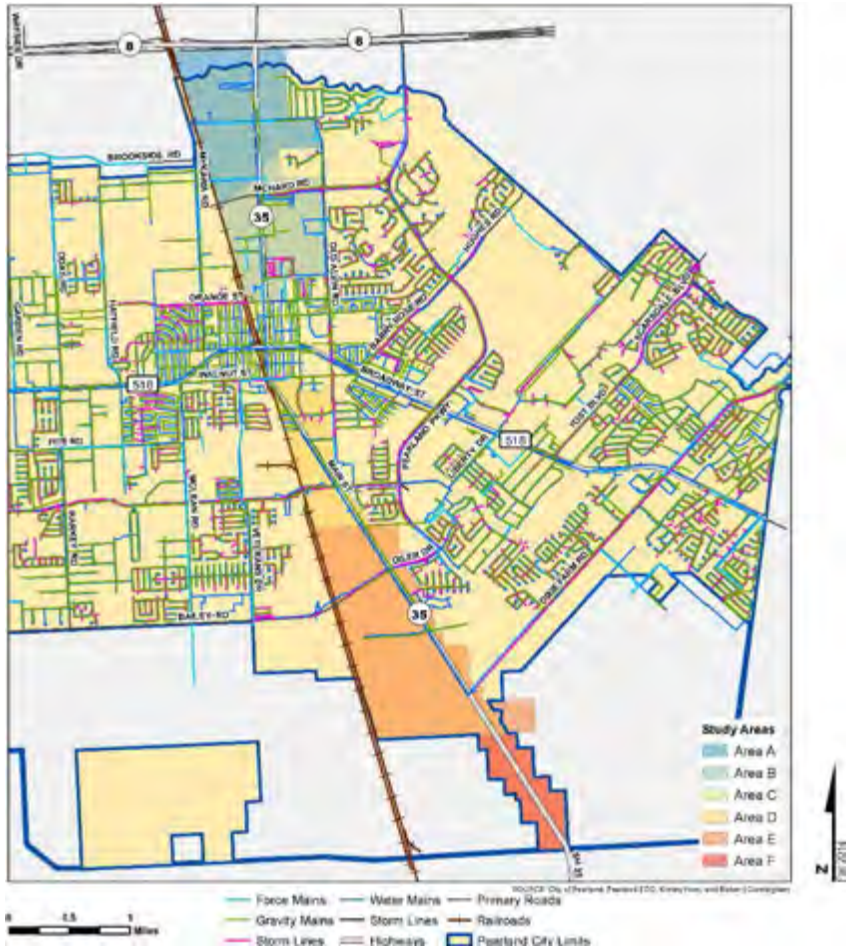
Another natural feature presenting development challenges for parcels in the Area is a series of geologic faults, primarily concentrated in the northern segment of the Corridor, south of Beltway 8, and east and west of SH 35/Main Street. Their presence and location can be obtained from the U.S. Geological Survey. Like other natural and man-made features, they can affect the capacity of impacted properties to accommodate various levels of investment.

Utilities and Pipelines

Although SH 35 right-of-way is fully improved, there is an inconsistent pattern of developed and undeveloped parcels located adjacent to the roadway on either sides. **Figure 2-3** illustrates the location of water and wastewater lines within the Study Area boundaries, including gravity mains, force mains, water mains, and storm lines, active and inactive (or abandoned). The condition, capacity and location of these facilities relative to the structures they serve has informed the development pattern of the Area, and continues to impact the economic feasibility of new development and redevelopment projects within its boundaries.

Overhead utility lines, both minor and major, are visible throughout the extent of the Corridor. While not uncommon in more established transportation corridors located on the fringe of major metropolitan areas, they do create a visual blight that can adversely impact market perceptions and correspondingly property values.

Figure 2-3: Utility Lines



Roadways and Railways

SH 35 is one of the city's two most heavily traveled major thoroughfares, the other being FM 518, which begins at SH 288 and traverses the city from west to east. Conversely, SH 35 crosses the city from north to south, and connects travelers from Gulf Coast communities to downtown Houston and the Greater Houston Metropolitan Area. The northern portion of the Corridor, between Beltway 8 and FM 518, was recently widened from a 4-lane road to a 6-lane divided road, in an effort to alleviate congestion and improve safety. A second phase of this project is planned, but as yet not funded, for that portion of the Corridor located south of FM 518 to the city's southern boundary.

Pearland's thoroughfare plan is one of several resource documents that describes the location of existing and planned roadway facilities by classification. Similar to other public documents such as the Comprehensive Plan, it can be revisited often, and generally is during periods of rapid growth so that it accurately reflect the changing needs and developmental dynamics of the community. While professionals have long debated whether land use should inform street designs, or streets should inform land use, it is agreed that roadway facilities function best when planned with consideration of the anticipated timing, type, and density of development and its users travel needs.

Figure 2-4 provides an illustration of roadway improvements, existing and planned, within the Study Area, taken from the thoroughfare plan. As presented, some are identified as having sufficient width, while others are identified as “To Be Widened,” indicating additional lanes are planned for existing facilities, in order to accommodate anticipated growth in traffic volumes; and, finally, others are identified as “To Be Acquired,” meaning right-of-way is needed to construct planned, but non-existent, roadways. The majority of planned roadways are collector streets, located to support new development, primarily within the southern portion of SH 35.

As of 2015, the only eminent Texas Department of Transportation (TxDOT) project planned in the vicinity of the Study Area is the proposed widening of FM 518 from SH 288 to SH 35, an improvement that would increase access to the Corridor from western portions of the community. Formal investigation of another project, the SH 35 Tollway Project, began for a period of time in 2007, and again in 2014; however, no formal recommendations had been advanced as of the date of this report. During the early part of 2014, TxDOT submitted a letter to the City of Pearland, informing them that they had initiated preparation of an Environmental Impact Statement (EIS) for a proposed State Highway 35 Tollway Project. Its purpose, according to the letter, was "to reduce traffic congestion along SH 35, improve mobility and Level of Service on SH 35, improve area-wide transportation safety, and efficiently link the suburban communities in this rapidly developing area." In addition, the project was intended to serve as a supplemental hurricane evacuation route. According to the project schedule at that time, it was intended to be constructed as a controlled access tolled facility consisting of four to six main lanes within a typical 300-foot right-of-way, and include auxiliary lanes between on-ramps and off-ramps, where appropriate.

The following year, the City of Pearland submitted a letter to TxDOT alerting them, as per their responsibility as a Participating Agency to the EIS process, that there was, "A significant amount of opposition to the project because it would displace multiple businesses and residents (based on its proposed alignment) in the heart of the city's Old Townsite District." As conceived, the SH 35 Tollway would comprise 25 to 30 miles of roadway, beginning in downtown Houston at IH 45, passing through Pearland, to the southern end of the Alvin bypass. The City's representative went on to explain, "The project proposed an elevated cross section through the same area, will create a significant negative noise and aesthetic intrusion on businesses and residents, resulting in an adverse economic impact." Finally, concern was expressed with regard to "likely conflicts associated with this type of roadway, particularly in the vicinity of the Old Townsite District, with desired improvements in keeping with its original downtown character." No substantive activity on the project has occurred since this time.

Figure 2-4: Roadways

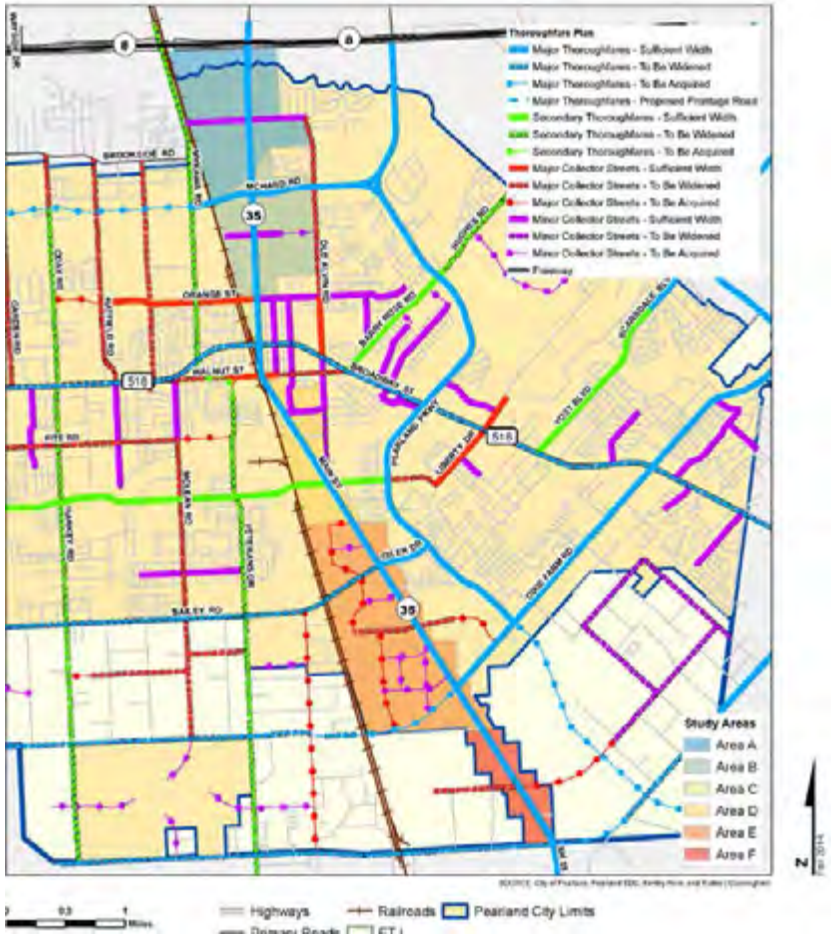
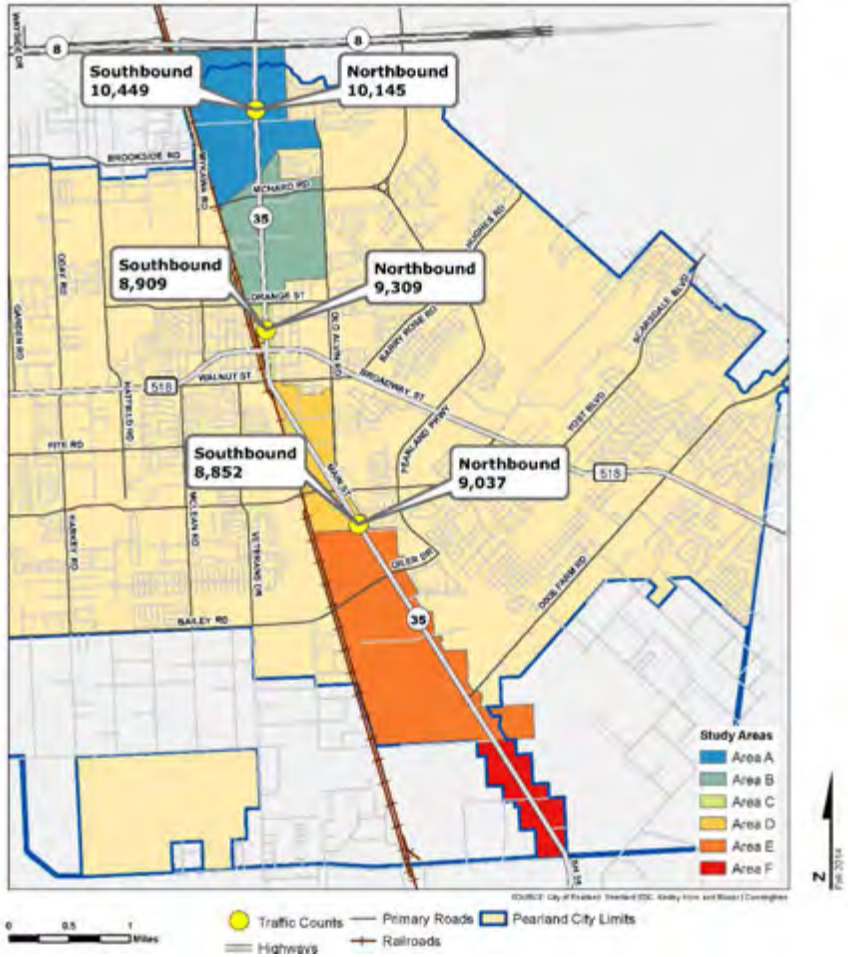


Figure 2-5: Traffic Counts



In addition to roadways serving properties in the Corridor, a major rail line is located west of the SH 35/Main Street Study Area, serving as its eastern boundary in its central segments. The railway is owned and operated by the Burlington Northern Santa Fe (BNSF) railroad company, and has been in place since Pearland was established. While its northern and southern segments provide a valuable alternative for industries desiring to move their goods by train rather than truck, in the vicinity of the Old Townsite District, the railway and its three at-grade crossings between Orange and Walnut Streets, while less impactful since the City negotiated for a "quiet zone" in this location, is an obstacle for certain desired uses and product types.

Traffic Counts

As **Figure 2-5** illustrates, 7-day average traffic counts along the northern segment of the Corridor totaled close to 20,500 daily vehicles for the period monitored, 2014. Comparatively, segments near its core, north of FM 518 and south of Magnolia Road, averaged nearly 18,000 daily vehicles during this same timeframe. It is important to note that in 2014, TxDOT was nearing completion of its multi-year SH 35 widening project. While their improvements were intended to accommodate additional traffic, given the fact that the project was not yet completed, and in it its final phase, it is reasonable to assume that travelers who otherwise may have chosen to use SH 35 were still using alternative routes. This said, these counts may not reflect typical or even current traffic counts.

Natural Resource Extraction Facilities

As presented in the City Comprehensive Plan, the most significant resource extraction facility in or near Pearland is the Hastings oil and gas field, located along the city's southern boundary in the vicinity of SH 35/Main Street and Dixie Farm Road. The number of active wells in this location is heavily influenced by the state of the energy industry which has waned over the past 18 months.

Hazardous Contaminants

Another condition impacting select parcels in the Study Area is the presence of hazardous contaminants, often the result of past activities, including the former service station facilities. Within the Comprehensive Plan, several locations of concern are identified within the city limits, with a significant concentration in the vicinity of the Old Townsite District, as well as along both the northern and southern segments of the Corridor. The source of this information is Environmental Risk and Imaging Services. Other locations identified through aerial photography are several oil pits within the Hastings Oil and Gas Field. During the course of this planning effort, documentation was provided regarding the presence of hazardous

materials within the Rice Drier property located east of SH 35 in one of the Corridor's northern segments.

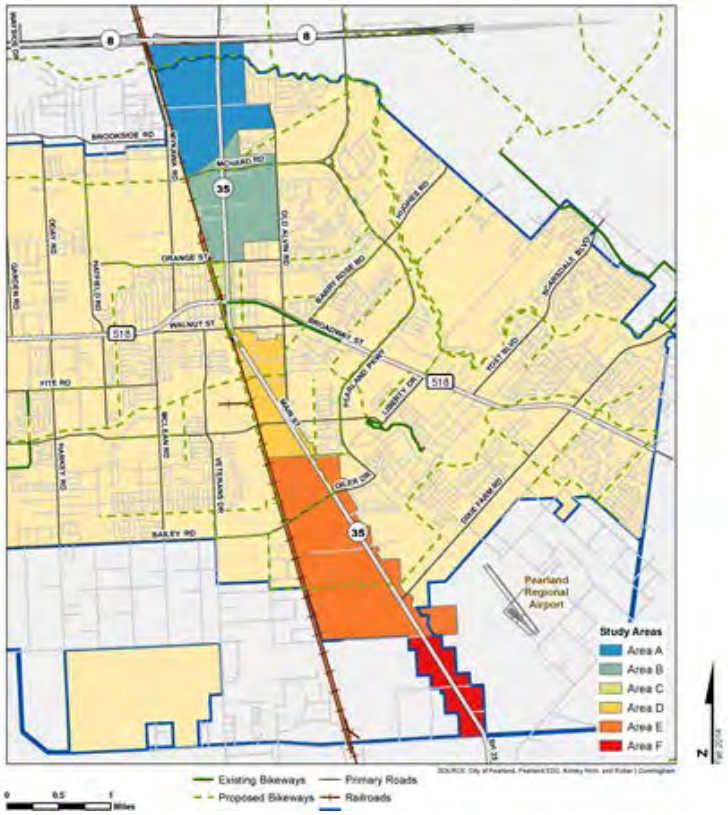
Bikeways and Trails

There are currently no accommodations for bicycles within the SH 35 Corridor. Further, the TxDOT widening project north of FM 518 did not include either bike lanes or shoulders. As reflected in **Figure 2-6**, however, there are numerous planned bikeways that could either traverse or parallel the 35 roadway. Among the east-west roads bisecting the Corridor, FM 518/West Broadway Street is the only with on-street bike lanes, specifically between SH 35 and Westminster Road.

In addition to several planned bikeways, the Pearland Trail Master Plan, adopted in 2007, and recent Parks and Recreation Master Plan, adopted during the latter part of 2015, also identifies an expanded trail system that would serve large expanses of the community, including points along the SH 35 Corridor. Among primary and secondary trail systems, secondary trails offer shorter connections between points and ultimately the primary trails. Many of the future improvements would follow existing roadways or take advantage of existing utility, drainage, and pipeline easements.

In the 2015 Plan, the overriding objective for the community is "recreational connectivity," which includes both heightened walkability and bikeability. Walkability, in this capacity, is a measure of how user-friendly an area is to people traveling on foot. Similarly, bikeability refers to the extent to which a community accommodates bicycle travel.

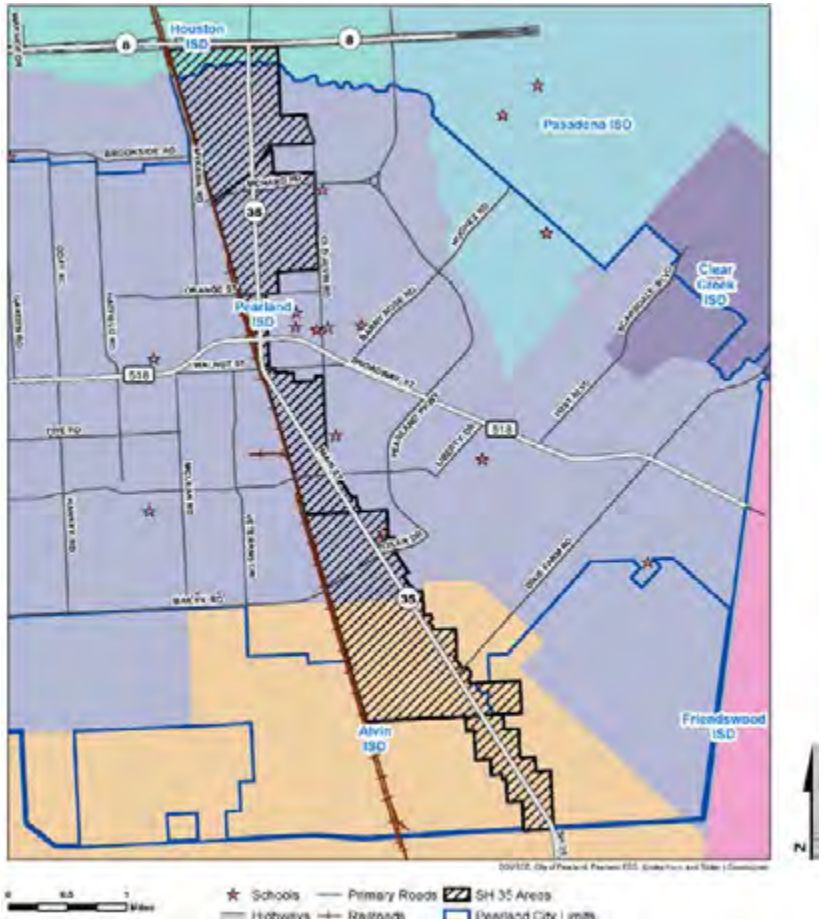
Figure 2-6: Bikeways, Roads and Railroads



School Districts

Residential properties within the Study Area and its influence area are generally served by two school districts – Pearland Independent School District (ISD) and Alvin ISD. The Alvin ISD extends from just south of Bailey Road past the southern boundary of the Study Area, but does not have any schools located within the Study Area boundaries. Conversely, the Pearland ISD extends from just south of the Sam Houston Tollway/Beltway 8 to the northern border of the Alvin ISD, and has one of its four high schools, Pearland High School, located in the Corridor. As **Figure 2-7** shows, several other Pearland ISD schools are visible within an influence area of the Corridor, while none of the Alvin ISD facilities are visible. Specifically, schools are located along the eastern boundary of the Study Area, in the areas bound by East Plum Street, North Galveston Road, Broadway Street, and Schleider Drive.

Figure 2-7: School Districts

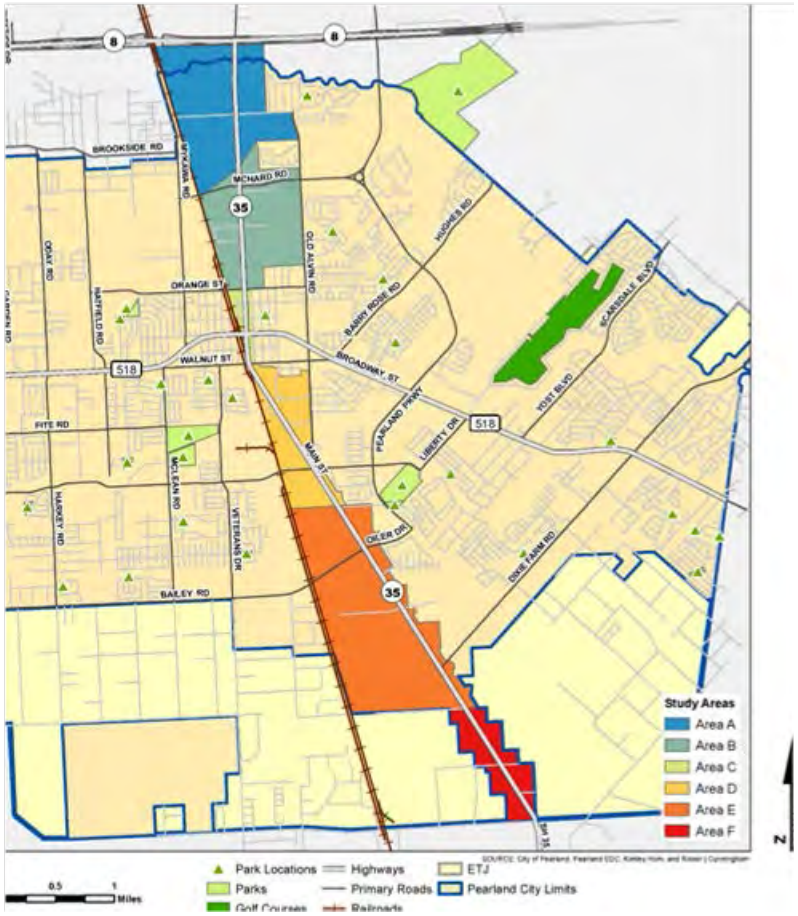


Parks and Open Space

The City of Pearland adopted a new Parks and Recreation Master Plan during the fall of 2015. That plan offers an assessment of the existing park system, along with recommendations regarding the community's future needs. Respondents to a survey administered during that planning process ranked trail improvements and connections sixth and seventh among 22 investment priorities.

Zychlinski Park, located near the city's core within the Old Townsite District (the boundaries of which are defined in the discussion of zoning below), is the only municipal park located within the Study Area. Beyond, yet near the Corridor, are two community-sized parks – Independence and Centennial Parks. Independence Park, located near John Lizer Road and Pearland Parkway, offers 1.6 miles of trails, a swimming pool, basketball courts, tennis courts, and soccer fields. Centennial Park, located west of the Corridor on McLean Road, also hosts numerous recreational facilities. Finally, various neighborhood-scale parks serve residential areas within an influence area of the Corridor.

Figure 2-8: Parks and Open Space



Zoning

Of the more than 2,600 acres that comprise the Study Area, 60% is zoned either M-1 Light Industrial or M-2 Heavy Industrial. Other zoning categories include those listed below. In terms of total acreage, the next largest categories are General Commercial and General Business, which collectively represent 26% or approximately 677 acres, of the Corridor area, within 189 parcels.

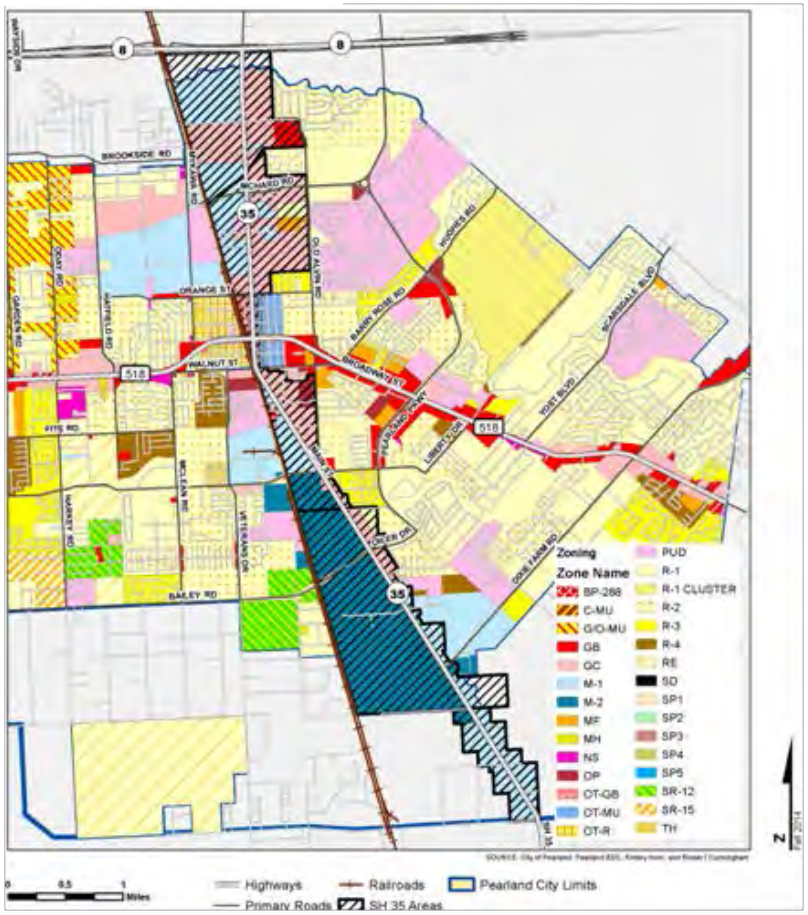
Based on an analysis of total parcel acres by zoning and total parcel acres by use, it appears that there are numerous instances of non-conformity (between zoning and use) across all land use types. Whereas zoning can be a deterrent or barrier to investment, particularly when existing classifications do not align with an expressed vision, among the recommendations presented herein regarding implementation of this Strategy, is greater alignment of land uses in the Corridor with the expressed vision for each segment or subarea. In addition, elimination of residential zoning in the Study Area, except within the Old Town District where it is advised that the Old Town classification by used in a similar manner to Planned Unit Development (PUD), where there are no additional "sub-classifications" such as commercial, industrial, residential and others. Note: A detailed definition of each classification is provided in the **Appendix** section of this report.

Table 2-1: Acreage and Parcels by Zoning

Zoning Type	Zoning Classification	Acreage	No. of Parcels
Light Industrial	M-1	731.19	189
Heavy Industrial	M-2	831.35	158
General Commerical and Business	GC, GB	677.24	80
Residential (Multi-Family)	MF	16.63	3
Residential (Single Family)	R-1 & R-3	20.1	10
Office and Professional	OP	20.73	10
Old Townsite (all subcategories)	OT	40.24	85
Public Utility District	PUD	3.13	1
Unknown	n.a.	259.9	11
Totals		**2600.51**	**547**

Source: Texas Workforce Commission; HGAC; and Ricker|Cunningham.

Figure 2-9: Zoning Map



Existing Land Use

Existing land uses in the Study Area include a mix of industrial, commercial, residential, and vacant land. Industrial uses, and a cemetery which is comprised of 3 parcels and more than 103 acres, dominate the northern segment, while heavier industrial uses, and a school campus of approximately 16 acres, dominate the southern segment. Properties located north of the Old Town District, within the central segment, maintain the most significant concentration of general commercial uses, many of which are highway-serving in nature. As referenced above, the Old Town District anchors the center of the Corridor, with residential, commercial and institutional uses, scaled to their physical environment which is a series of walkable blocks amongst a gridded street system, surrounded by several established residential neighborhoods.

One hundred and thirty-one (131) parcels are classified as Industrial, comprising a total of approximately 551 acres. Among the 188 Commercial properties, their total acreage is slightly more than 300 acres. Fifty-one (51) parcels have a Residential use category, within 234 acres. In addition to a Hotel property of 4.5 acres, 236 properties are classified as Vacant, with a total combined acreage of approximately 1,270 acres.

Eleven parcels with a zoning classification of “unknown”, have three different use categories – Commercial, Industrial and Vacant. The single Commercial parcel is slightly larger than 17 acres. Among the six parcels with a use classification of Vacant, they range in size from 0.13 acres to approximately 167 acres. The remaining four Industrial properties, range in size from 2 acres to approximately 11 acres.

Future Land Use Plan

The Future Land Use Plan Map, completed for the 2015 Comprehensive Plan Update, more accurately reflects the current pattern of development in the Study Area, than what is reflected in the Existing Land Use Map, presented in the 2004 Comprehensive Plan Map; and, most importantly, closely align with what is envisioned for a fully revitalized SH 35 Corridor. Specifically, the City’s principal policy document (the Comprehensive Plan), shows that the future makeup of the northern portion of the Corridor will be nearly entirely Industrial rather than a mix of Business Commercial and Industrial. Further, it shows a single Old Townsite or "Village" District label supporting a mix of residential, retail, office and service uses. Finally, the South Park Cemetery located in the southwest quadrant of Knapp Road and SH 35, is reflected as a Public / Semi-Public use, despite its Light Industrial zoning classification. Because of the presence of pipe fields in the vicinity of Oiler Drive and the Hastings Oil and Gas Fields, along with other existing facilities with outdoor storage facilities, heavier uses are recommended in the southern portion of the Corridor.

Similar to the prevailing zoning, yet dissimilar to the vision for the Study Area, residential land uses continue to be shown in two separate locations – north and south of the Old Townsite District. As mentioned earlier, recommendations presented later in this document with regard to desired land uses and regulatory controls, suggest the City disallow any requests to rezone properties for residential development within a certain impact zone of the roadway (distance to be determined).

Parcel Characteristics

Property Ownership

As noted earlier, there are more than 540 parcels within the 7.2 mile extent of the Study Area, comprising approximately 2,600 acres. They range in size from .004 to 175.8 acres, and average 4.8 acres. Among the Area's unimproved parcels, they range in size from .004 to 166.9 acres, and average 5.9 acres. The boundaries and dimensions of parcels within each segment, along with several other characteristics, are illustrated in a series of maps presented in **Appendix D**. Specifically, the maps demonstrate ownership patterns; land, improvement and market values; and, their utilization. Note that property utilization reflects the numerical relationship between the improvement and total value, rather than just a physical state.

Supplementing the maps is a summary of property ownership and utilization, by segment, in **Tables 2-2** and **2-3** here. Most notable about the Area's owners is the number (or percent) with a local presence. Specifically, nearly 60 percent of Study Area properties are owned by an individual or interest with either a Pearland, Houston, or Brazoria County address. Comparatively, 20 percent of the properties are owned by an entity from "Other Texas Cities" and only 10 percent by an "Out-of-State" interest. In any redevelopment effort, it is important to understand whether owners are present or "absent," as this can be a measure of commitment, or interest in affecting change.

Table 2-2: Property Ownership by Study Area Segment

	SH 35 Corridor Study Area Segments					
	A=738 acres	B=465 acres	C=40 acres	D=287 acres	E=972 acres	F=194 acres
Ownership Geography	% of acres	% of acres	% of acres	% of acres	% of acres	% of acres
Pearland/Brazoria County	30%	49%	53%	44%	56%	38%
Houston	12%	22%	11%	11%	12%	17%
Other Texas Cities	44%	20%	22%	15%	4%	18%
Out of State	14%	8%	11%	15%	5%	20%
Unknown	0%	1%	3%	15%	23%	7%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Brazoria County Appraisal District and Ricker | Cunningham.

Property Utilization

Based on a review of the maps demonstrating patterns within the Corridor segments and individual parcels, it appears that there is a comparatively high level of under-utilization, meaning, that there are numerous parcels that are either vacant, have only improved a portion of their property, or have an improvement value disproportionately small compared to the land value. Whereas utilization in this context is measured by quantifying the ratio between improvement and total value, this may indicate that land values are supporting appropriate levels of investment, and that existing development patterns among improvement properties are relatively efficient. It may also suggest that the reason some parcels are undeveloped, is due to the cost-prohibitive impact of developing sites with limited utility. While vacant properties may seem like obvious investment targets, less obvious are parcels with a land value that can support a higher and better use, or in other words, those with a disproportionately high land to improvement value, whereas they too can be "ripe" for investment. A critical component of any redevelopment effort is to understand the entire inventory of sites with development and redevelopment potential, making this type of analysis essential whereas viable parcels cannot be identified through physical observation alone. Another bi-product of this work is a better understanding of the economic feasibility of developing in the targeted redevelopment area, since acquisition prices will impact investment returns. **Table 2-2** summarizes property utilization ratios within the Study Area segment. As shown, Segments A and E maintain the largest share of "under-utilized" properties, likely due to a disproportionate number of vacant properties in these areas. Segment C, which includes the Old Townsite District, has the lowest share of "under-utilized" properties, although comparatively high relative to many urban areas.

Table 2-3: Property Utilization by Study Area Segment

	SH 35 Corridor Study Area Segments					
	A=738 acres	B=465 acres	C=40 acres	D=287 acres	E=972 acres	F=194 acres
Property Utilization	**% of acres**	**% of acres**	**% of acres**	**% of acres**	**% of acres**	**% of acres**
20% and Less	65%	60%	33%	56%	64%	47%
21% to 40%	17%	18%	19%	17%	20%	18%
41% to 60%	11%	13%	25%	15%	9%	13%
61% to 80%	5%	5%	17%	8%	4%	14%
80% and Greater	2%	4%	6%	4%	3%	8%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Brazoria County Appraisal District and Ricker | Cunningham.

Summary

In summary, the Study Area's existing pattern of development, while not atypical of other established corridors in communities located on the periphery of a major metropolitan area, maintains conditions which present both obstacles and opportunities for new development and redevelopment. With an established network of neighborhoods beyond its boundaries, yet moving increasingly closer to potential zones of impact, a natural reaction by the City could be to increase regulations and impose requirements intended to create greater compatibility among these use, while protecting its residents. However, and contrary to the development practices of communities throughout the country over the past few decades that have encouraged a greater integration of uses, a recommendation of this Strategy is that development regulations and guidelines within the Study Area support its principal land use, first, which is primarily industrial; with the exception of commercial, residential and institutional uses in its central segment. Further, it is suggested that requests to rezone non-residential to residential in the vicinity of the Corridor's northern and southern segments, be denied. The vision for a redeveloped SH 35 Corridor is a business park environment with business and industry being the dominate land uses, and commercial retail and restaurants and possibly institutional facilities, secondary uses.

Capital improvements, onsite and offsite, that will be necessary include: connections, both vehicular and non-vehicular; completion and relocation of utility lines and other infrastructure; public, open space and landscaping enhancements; and, others that will promote greater contiguity in the character and quality of its building inventory.

Section 3:

Market Overview

The purpose of any market analysis associated with an area-wide planning effort such as this one is to: provide a "reality check" for conceptual planning; ensure that recommendations are grounded in market and economic reality; set the stage for implementation; and, provide an accurate and independent "story" to tell potential development and investor audiences.

The approach to market analyses, while still largely predicated on the basic principles of supply and demand, in the context of a strategic planning initiative such as this one warrants a particularly focused review of issues which may present both barriers to, and opportunities for, investment. To this end, major components of the work conducted as part of this assignment involved: consideration of the Study Area's physical environment and ability to accommodate a range of land uses and product types; investigation of current and anticipated real estate industry trends and their applicability to the Study Area; review of demographic and psychographic characteristics that are informing the region's market mix; examination of operating conditions among potentially competitive projects, and quantification of demand by use and type; and, identification of improvement costs, revenues and timing, along with their potential economic impact. With a thorough understanding of these items, public sector representatives engaged in discussions with private sector entities considering investment in the Corridor will have a more comprehensive understanding of project feasibility and development challenges.

Real Estate Industry Trends

"*The good, the bad and the ugly"*

"The bad is anything 'garden variety.' Over the short haul, there will not much demand among either users, or investors, for plain-vanilla real estate that falls into the "commodity" bucket. They are cheap, but you get what you pay for. The ugly is anything that smacks of 'sprawl,'

including properties dependent on inflated parking ratios that presume the growth of tract housing at the perimeter of a metro area. The good reflects a cogent appeal to either Millennials or Baby Boomers." Urban Land Institute (ULI), Emerging Trends in Real Estate, 2015

The Changing Face of Space

According to the Urban Land Institute, authors of the annual Emerging Trends in Real Estate report, this statement is supported by the fact that nearly all real estate property sectors have made significant format changes in the last few years. Conditions that prompted these changes almost entirely fell into one of the following categories -- demographic shifts, evolving consumer expectations, the "re-urbanization" of America and growth in technological infrastructure. For example, in 1980 office buildings were built to provide 250 square feet of space per employee. Conversely, several recent office developments were constructed at closer to 100 square feet per employee, and with significantly more collaboration space. This was an outgrowth of pressure from non-Baby Boomer generations for smaller energy efficient work spaces, flexible work schedules which allowed employees to divide their time between home and work, and the phenomenon of multiple companies sharing the same office space. Another example is the evolution of a more urbanized format of retail space in suburban locations, in response to a growing desire to "return to the city" by many Americans. Smaller retail spaces in both urban and suburban locations was made possible by stronger connections to industrial facilities that are now housing inventories previously found in stores; as well as, distribution centers that are making "just-in-time" deliveries of commercial products possible. Finally, both ownership and rental housing product types are getting smaller, yet better, and encouraging greater communication among residents. Nearly all apartment projects built since the end of the Great Recession (in 2012) were developed with a mix of smaller single units and double master units, along with larger "community spaces." This combination of features better meets the preference of Millennials for less permanence and fewer expenses. Smaller ownership units, both attached and detached, but anchored by public gathering places, addressed demand for quality over quantity in the home space, lot size and neighborhood amenities. These products also address the necessity for greater "physical connectedness," particularly since an increasing amount of work can now be done at home because of better "electronic connectedness." In addition to social and industrial conditions, changes in the lending industry also informed the recent evolution in real estate development. Following the collapse of several financial institutions during the period between 2008 and 2012, equity underwriting practices made it nearly impossible to access capital for real estate investment and development will also impact investment and development decisions. Today, while the social and industrial trends continue to inform the changing face of space, underwriting requirements have become less stringent. This, combined with growth in several markets including the Houston-Baytown-

Sugarland Metro Area, according to ULI, has made this region a "favorable market for capital flows and one that should be expected to realize growth among supportable product types for the foreseeable future, despite retrenchment in the energy industry."

Economic and Demographic Indicators

Economic and demographic characteristics are indicators of the economic health of a market, and therefore affect investment and reinvestment decisions. Whereas the Study Area is located in the southern portion of the Houston-Baytown-Sugarland Metropolitan Area (the Metro Area) and connected via region-serving roadways such as the Sam Houston Tollway (Beltway 8), State Highway 288 (SH 288), and Interstate 45, (I-45), development projects within its boundaries can be expected to attract the interest of individuals from a broad geography, one beyond the Pearland municipal boundaries. For this reason, the various trade areas within which future uses will attract and compete for residents, consumers, users and visitors, will reach across multiple jurisdictions.

Trade Area Definition

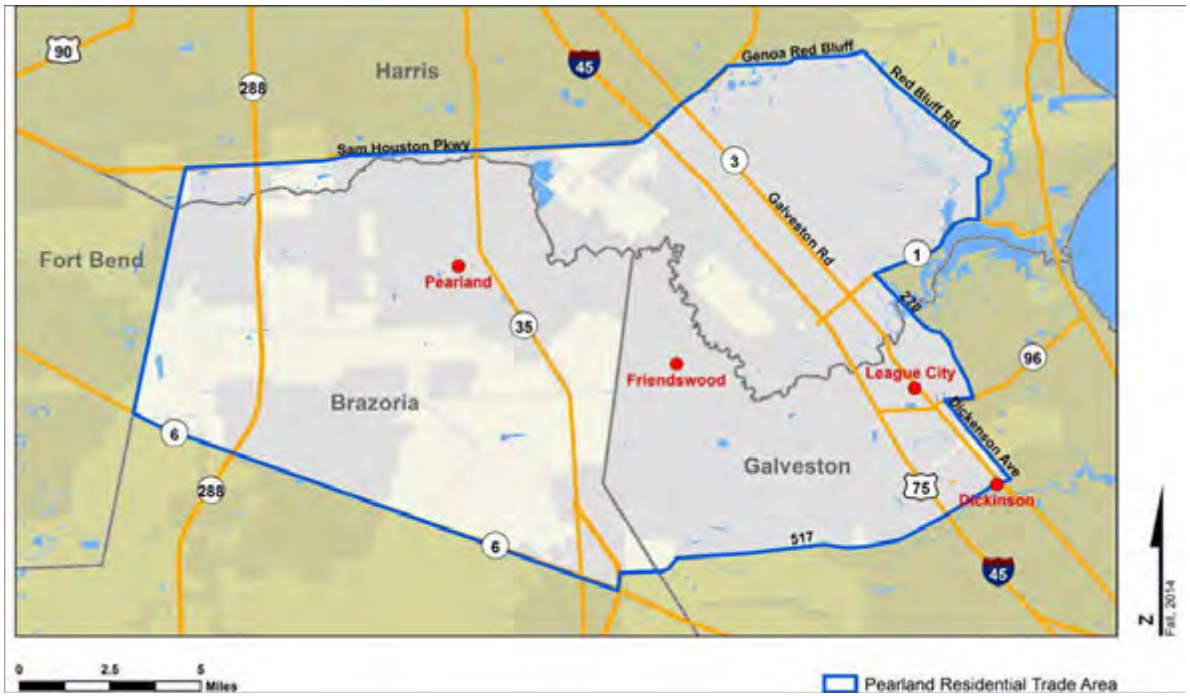
Because the Study Area has the potential to support development of a variety of product types, individual trade areas were defined for all of the major land uses (residential, retail, office and industrial). A trade area is the geography from which projects in a certain location will draw and compete for the majority of their residents, customers, or tenants. Several determinants are used to define the boundaries of a trade area, some unique to the specific use or product type, and others more universally applicable. The most common are those presented as follows:

- **Physical Barriers** – presence of certain physical improvements including highways, arterials, and significant structures, all of which influence driving and shopping patterns; along with the availability, condition and capacity of infrastructure;
- **Location of Possible Competition** – inventory of potentially competitive projects which can diminish a project's potential market share, and be an indicator of market acceptance;
- **Proximity to Population, Employment and / or Activity Centers** – concentrations of neighborhoods, employment centers, service providers, and commercial entertainment venues which attract target markets that will support development and redevelopment;

- **Zoning** – regulatory designations which will influence investment decisions;
- **Market Factors** – conditions which will set sale and lease prices, influence capital flows, suggest excesses and voids, and ultimately potential project values; and
- **Drive Times, Spending and Commuting Patterns** – consumer habits and biases which can inform the project's potential for success.

In the socio-economic and demographic analysis that follows, the Residential Trade Area (or Trade Area as referred to herein), is used as the primary geography for which select characteristics are presented. Its boundaries, illustrated in **Figure 3-1**, are the Sam Houston Tollway on the north, Red Bluff Road and State Highway 3 on the east, State Highways 6 and 517 on the south, and Almeda Road on the west; and, it includes all or some portion of the cities of Pearland, Friendswood, Alvin, League City, along with Brazoria and Galveston County. As a barometer of an area's economic health and potential for investment, demographic and economic characteristics, taken together with its psychographic profile, can reveal support for product types that may or may not be part of its current inventory. While the built environment is often considered to represent all of a market's preferences, it is often the case that there are other supportable uses which better represent what is not only wanted, but needed, yet absent due to any variety of obstacles or barriers. For this reason, a higher level of attention is given to this component of the analysis.

Figure 3-1: Residential Trade Area



As presented in **Table 3-1** here, the Residential Trade Area's total population increased by 2.2% between 2010 and 2015, while Brazoria County and the Metro Area increased by 1.9% and 2.2%, respectively. Future forecasts of household growth estimate a rate of approximately 2.0% in the Trade Area over the next 10 years, compared to 2.0% in the County, and 1.9% in the Metro Area. The average household size in the Trade Area is 2.85, and the County and the Metro Area are 2.84 and 2.89, respectively. Despite the higher average household size, 40% of residents in the Metro Area are renters, compared to 27% in the Trade Area. In addition, the median age of residents in the Trade Area (35.4 years) is slightly higher than either the County (35.3 years) and the Metro Area (33.6), despite a similar percent of individuals under age 17 which is 27% in the Trade Area, and 27% and 26% in the County and Metro Area, respectively. Similarly, on the opposite end of the age range, the Trade Area, County, and Metro Area all maintain a similar percent of individuals 65 years and older. In terms of education and income levels, a greater percent of residents in the Trade Area hold a bachelors' degree at 37%, explaining why a lower percent of households have a median household income below $25,000 and a higher percent have incomes over $100,000. The ethnic profile of residents in the Trade Area is more similar to that of the County, but considerably less ethnically diverse than the Metro Area's. A variety of maps illustrating these characteristics are presented in **Appendix D**.

Table 3-1: Residential Trade Area Demographic Overview

2015 Indicator (unless otherwise noted)	Pearland Trade Area	Brazoria County	Baytown-Sugarland Metro Area
2010 Population	368,966	313,166	5,920,416
2015 Population (estimated)	411,100	344,700	6,589,400
2015 Households (estimated)	143,350	117,100	2,224,300
Annual Household Growth Rate (Projected through 2020)	2.0%	2.0%	1.9%
Average Household Size	2.85	2.84	2.89
Percent Non-Family Households	25%	24%	29%
Percent One- and Two-Person Households	50%	51%	54%
Percent Renters	27%	25%	40%
Percent Age 65+	10%	10%	10%
Percent Age 0-17	27%	27%	26%
Median Age	35.4	35.3	33.6
Percent With Bachelor's Degree	37%	27%	31%
Median Household Income	$78,203	$67,603	$57,366
Percent With Income Below $25,000	13%	11%	21%
Percent With Income Over $100,000	38%	38%	27%
Percent Hispanic	25%	28%	36%
Percent Black/African-American	12%	13%	17%
Percent Asian American	10%	6%	7%

Source: U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

Source: U.S. Census Bureau; Claritas, Inc.; and Ricker | Cunningham.

Figure 3-2: Population Density by Census Block (2013)

Figure 3-3: Household Density by Census Block (2013)

Age Cohort Migration

Migration studies examine how certain groups or populations move within a certain geography. For the purpose of this planning effort, movement among three major age cohorts – Baby Boomers, X Generation and Y Generation - within the Trade Area, were analyzed over a period of 20 years. A series of maps illustrating these patterns are presented in the following pages. As with the **Figures 3-4** and **3-5**, each colored shape in the maps represents a census block. However, whereas the purpose of the migration maps is to identify changing conditions in the same geography over multiple periods of time, this can be difficult using census blocks as a measure since their boundaries can change over time.

Therefore, the analysis presented should be considered a representation, rather than an exact reflection, of mobility in the region. Finally, since the definition of these age cohorts can differ depending on their source, these groups are assumed to fall within the following age ranges for the years analyzed as presented below.

Baby Boomers:	**X Generation:**	**Y Generation: ***
1980: 16 - 34 years	1980: < 15 years	1980: n.a.
1990: 26 – 44 years	1990: 6 – 25 years	1990: < 5 years
2000: 36 – 54 years	2000: 16 – 34 years	2000: < 15 years
2010: 46 – 64 years	2010: 26 – 45 years	2010: 10 – 25 years

* Millennials and Echo Boomers.

For clarification, total population, rather than percent of population, figures were used to illustrate the respective populations in each cohort, so that the magnitude of the market's depth could be understood. As shown, these three age cohorts consistently grew in population in the Trade Area between 1990 and 2010, generating potential for a wide variety of real estate product types.

Figure 3-4: 1990 Baby Boom Population

Figure 3-5: 2010 Baby Boom Population

Figure 3-6: 1990 Gen X Population

Figure 3-7: 2010 Gen X Population

Figure 3-8: 1990 Gen Y Population

Figure 3-9: 2010 Gen Y Population

Psychographic Profile

Psychographics is a term used to describe the characteristics of people and neighborhoods which, instead of being purely demographic, speak more to attitudes, interests, opinions and lifestyles. PRIZM (Claritas, Inc.) is a leading system for categorizing day- and night-time populations into one of 65 distinct lifestyle segments based on these factors. Many commercial retail developers rely on psychographics to measure a market's depth for certain consumer preferences, and propensity to spend across select retail categories. Similarly, a growing number of residential developers are interested in an area's psychographic profile whereas it can serve to eliminate some of the uncertainty associated with delivering unproven product types to a market.

PRIZM organizes the segments into "life stage groups," of which – Younger Years, Family Life, and Mature Years – are present in the Trade Area based on a combination of three variables — affluence, householder age, and presence of children at home. A definition of its largest lifestyle segments, including those presented in **Table 3-2**, are provided in Appendix E. For each segment listed in the table, the total of area households which fall into these groups, along with the percent they represent of all households in the Trade Area, as well as the national index for this segment (or comparative number of households in the nation that fall in this group). Characteristics of these groups include: advanced degrees, family-orientation, married couples and singles, and mobile students and professionals.

Table 3-2: Trade Area Top Psychographic Segments

Lifestyle Segment	Area Households	% of Total Households	U.S. Index=100*
Movers and Shakers	9,354	6.5%	429.6
Brite Lites, Li'l City	7,436	5.2%	308.5
Home Sweet Home	6,151	4.3%	245.7
Young Influentials	6,118	4.3%	314.6
Up-and-Comers	5,112	3.6%	263.4
Younger Years Subtotal	**34,171**	**23.8%**	--
Winner's Circle	16,271	11.4%	1,098.2
Kids and Cul-de-Sacs	11,041	7.7%	503.8
Upward Bound	10,343	7.2%	405.8
Blue Blood Estates	5,782	4.0%	446.3
White Picket Fences	4,530	3.2%	226.7
Family Life Subtotal	**47,967**	**33.5%**	--
Second City Elite	5,194	3.6%	274.5
Middleburg Managers	3,817	2.7%	128.6
Upper Crust	3,524	2.5%	173.4
Pools and Patios	1,992	1.4%	112.8
New Empty Nests	1,934	1.3%	136.1
Mature Years Subtotal	**16,461**	**11.5%**	--
Total Above Segments	**98,599**	**68.8%**	--
Total Trade Area	**143,350**	**100.0%**	--

* Indicates concentration of this segment relative to U.S. average. A segment index of 200 would mean that this group contains 2 times the concentration of employees/households compared to the average U.S. community.

Source: Claritas, Inc. and Ricker | Cunningham.

Market Supply and Demand Conditions

Residential

As explained earlier, factors that influence the boundaries of a trade area include several conditions and perceptions including: presence or absence of roadway connections (including highways and overpasses), their capacity, speed, and condition; boundaries of school districts and their performance levels; inventory of competitive projects; and, proximity to institutions and services. The Residential Trade Area for projects in the SH 35 Corridor, past and present, is reflected in **Figure 3-1** above.

Residential Supply Conditions

Table 3-3 here reflects actual building permit activity, as well as historical and comparative trends among different product groups. As presented, new residential construction in Pearland over the past two years has begun to rebounded, although at levels below those experienced prior to the Great Recession (2008 - 2012). For example, during the period 2007

Table 3-3: Trade Area Historical Building Permit Activity (2007 -2013)

Unit Type	2007	2008	2009	2010	2011	2012	2013	Total	Annual Average	% of Trade Area
City of Pearland										
Single Family Detached	1,639	1,207	772	722	691	948	955	6,934	991	38.2%
Single Family Attached (2-4 units)	0	0	4	0	0	0	0	4	1	66.7%
Multi-Family (5+units)	518	64	711	126	379	370	0	2,168	310	66.4%
Total Units	**2,157**	**1,271**	**1,487**	**848**	**1,070**	**1,318**	**955**	**9,106**	**1,301**	**42.5%**
City of Friendswood										
Single Family Detached	266	229	69	148	163	192	168	1,235	176	6.8%
Single Family Attached (2-4 units)	0	0	0	0	0	0	0	0	0	0.0%
Multi-Family (5+units)	0	0	0	0	0	0	0	0	0	0.0%
Total Units	**266**	**229**	**69**	**148**	**163**	**192**	**168**	**1,235**	**176**	**5.8%**
City of League City										
Single Family Detached	1,345	735	584	770	557	696	1,080	5,767	824	31.7%
Single Family Attached (2-4 units)	0	0	0	0	0	0	0	0	0	0.0%
Multi-Family (5+units)	100	99	51	206	0	180	0	636	91	19.5%
Total Units	**1,445**	**834**	**635**	**976**	**557**	**876**	**1,080**	**6,403**	**915**	**29.9%**
City of Alvin										
Single Family Detached	122	61	62	53	78	51	96	523	75	2.9%
Single Family Attached (2-4 units)	0	0	2	0	0	0	0	2	0	33.3%
Multi-Family (5+units)	0	0	80	110	0	0	0	190	27	5.8%
Total Units	**122**	**61**	**144**	**163**	**78**	**51**	**96**	**715**	**102**	**3.3%**
Unincorporated Brazoria County										
Single Family Detached	573	437	453	564	547	544	590	3,708	530	20.4%
Single Family Attached (2-4 units)	0	0	0	0	0	0	0	0	0	0.0%
Multi-Family (5+units)	270	0	0	0	0	0	0	270	39	8.3%
Total Units	**843**	**437**	**453**	**564**	**547**	**544**	**590**	**3,978**	**568**	**18.6%**
Total Trade Area										
Single Family Detached	3,945	2,669	1,940	2,257	2,036	2,431	2,889	18,167	2,595	100.0%
Single Family Attached (2-4 units)	0	0	6	0	0	0	0	6	1	100.0%
Multi-Family (5+units)	888	163	842	442	379	550	0	3,264	466	100.0%
Total Units	**4,833**	**2,832**	**2,788**	**2,699**	**2,415**	**2,981**	**2,889**	**21,437**	**3,062**	**100.0%**

Source: U.S. Census Bureau and Ricker | Cunningham.

through 2009, permits for multi-family units in Pearland accounted for 18% of all permits issued, while permits for single family attached and detached units accounted for 1% and 81%, respectively. Total permits issued during this earlier timeframe averaged approximately 1,800 per year, compared to an annual average of almost 1,000 units over the last two years. During this period, though, multi- family permits in 2012 represented approximately 30% of all permits issued, but 0% in 2013.

Ownership Supply

Among existing residential units, and as presented in **Table 3-4**, residential closings within the jurisdictions in the Trade Area during 2013 and 2014 represented approximately 6% of the Houston Metro Area, yet exceeded its average selling price. Activity in the Trade Area during 2014 fell slightly, however the average selling price exceeded that of the Metro Area by a larger percent. On a more localized basis, in 2013, projects in Pearland (including the Study Area), Friendswood, and League City, realized the highest sale prices among the Trade Area jurisdictions. In 2014, Pearland prices exceeded those in League City, but remained below Friendswood prices.

Table 3-4: Trade Area Historical Sales Activity among Existing Units (2013 -2014)

	2013		2014*	
Trade Area City	**Closings**	**Average Price**	**Closings**	**Average Price**
Alvin	52	$172,791	86	$177,226
Dickinson	182	$173,962	162	$195,896
Friendswood	175	$394,077	134	$398,702
League City	568	$282,891	521	$296,634
Pearland	592	$263,377	492	$300,359
Total Trade Area	**1,569**	**$271,355**	**1,395**	**$288,708**
Houston Metro Area	**23,607**	**$270,817**	**23,258**	**$274,064**

* Through October 2014.

Source: Hanley Wood Market Intelligence and Ricker|Cunningham.

Rental Supply

During the years 2013 and 2014, the Trade Area apartment market has performed slightly better than the Metro Area in terms of vacancy rates, yet exhibited slightly lower rental rates. For example, Trade Area vacancy rates in these years were 4.6% and 5.4%, respectively, compared to Metro Area rates of 5.2% and 5.9%. During this same period, average rents in the Trade Area were $930 and $909, compared to $1,051 and $1,102 in the Metro Area. Among all jurisdictions in the Houston market, the Bellaire and Montgomery County submarkets performed the best.

Residential Demand (all product categories)

Demand for residential units has been a product of population growth, whether through natural increase or net in-migration, for the past five decades. **Table 3-5** summarizes estimates of total demand over the next 10 years in the Trade Area, for ownership and rental units, at various price points, based on household growth within select income ranges. Whereas an individual'sability to pay for housing is largely a function of their household's income, actual unit counts are

Table 3-5: Trade Area Total Residential Demand

Residential Demand Analysis	Households	2014	140,700		
SH 35 Corridor Trade Area		2019	169,838	Annual Growth Rate	1.90%
10-yr Demand Estimates		2024	205,011		
	Household Growth (2014-24)		64,311	Adjust for 2nd homes, demolition, vacancy	1.0%
	Adjusted Unit Requirement		**64,954**	% Rental	28%

					Trade Area Demand from New Households (10-yr)			
Annual Household Income Range	**Approximate Rent Range**	**Supportable Home Price Range**	**Current Households in Income**	**New Households by Income**	**Total Units**	**Estimated % Rental**	**Total Rental Units**	**Total Ownership Units**
up to $15K	up to $375	up to $75K	7%	6%	**3,897**	90%	3,508	390
$15-25K	$375 - $625	$75 to $100K	6%	5%	**3,248**	85%	2,761	487
$25-35K	$625 - $875	$100 to $150K	8%	7%	**4,547**	75%	3,410	1,137
$35-50K	$875 - $1,000	$150 to $200K	10%	10%	**6,495**	50%	3,248	3,248
$50-75K	$1,000+	$200 to $250K	17%	18%	**11,692**	20%	2,338	9,353
$75-100K	$1,000+	$250 to $350K	14%	15%	**9,743**	12%	1,169	8,574
$100-150K	$1,000+	$350 to $500K	20%	21%	**13,640**	10%	1,364	12,276
$150K and up	$1,000+	$500K and up	18%	18%	**11,692**	5%	585	11,107
Totals			**100%**	**100%**	**64,954**	**28%**	**18,382**	**46,572**

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

derived based on the capacity to pay (calculated in the same manner financial lenders use). What has changed post-Recession, is the basis by which individuals and families choose to rent versus own their home. While renting was once a necessity among households at certain income levels, it is increasingly becoming a choice, particularly among young professionals who favor mobility over roots. Among other groups, renting is seen as an option that carries less investment risk, given the cyclical nature of residential markets. As presented, the Trade Area is projected to support an increase of approximately 65,000 new housing units over the next 10 years. Assuming the percent of rental to owner-occupied units increases slightly to 28%, regardless of current regulations, this would equate to demand for approximately 18,400 rental, and 46,600 ownership, units.

Among households in the Trade Area with incomes over $15,000, as presented in **Table 3-6,** based on considerations including historical trends, available inventory of land to accommodate development, capital reserves and lifestyle preferences, this will equate to approximately 34,600 detached, and 11,500 attached units, the latter including condominiums, townhome, rowhouse, lofts, and others. The balance of total demand will be for rental units.

Table 3-6: Trade Area Demand for Detached Ownership Units

Annual Household Income Range	Approximate Home Price Range	Trade Area For-Sale Demand (Incomes $15K+)	Estimated % Single Family Detached	Single Family Detached Demand
$15-25K	$75 to $100K	487	75%	365
$25-35K	$100 to $150K	1,137	75%	853
$35-50K	$150 to $200K	3,248	75%	2,436
$50-75K	$200 to $250K	9,353	75%	7,015
$75-100K	$250 to $350K	8,574	75%	6,430
$100-150K	$350 to $500K	12,276	75%	9,207
$150K and up	$500K and up	11,107	75%	8,330
Totals		**46,183**	**75%**	**34,637**

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

The

Table 3-7: Trade Area Demand for Attached Ownership Units

Annual Household Income Range	Approximate Home Price Range	Trade Area For-Sale Demand (Incomes $15K+)	Estimated % Single Family Attached	Single Family Attached Demand
$15-25K	$75 to $100K	487	25%	122
$25-35K	$100 to $150K	1,137	25%	284
$35-50K	$150 to $200K	3,248	25%	812
$50-75K	$200 to $250K	9,353	25%	2,338
$75-100K	$250 to $350K	8,574	25%	2,143
$100-150K	$350 to $500K	12,276	25%	3,069
$150K and up	$500K and up	11,107	25%	2,777
Totals		**46,183**	**25%**	**11,546**

Note: Assumes Townhome/Condo development stabilizes at 25% of all ownership demand

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

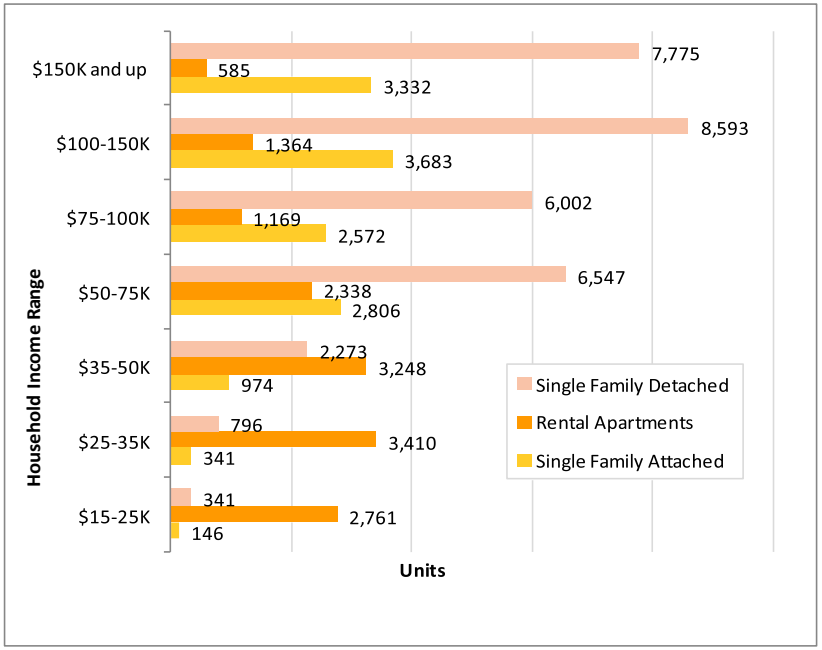
Further, the analysis suggests the majority of demand for single family detached units is for products priced over $350K, single family attached units between $200K and $500K, and rental units leased at monthly rates between $625 and $1,000. **Figure 3-10** illustrates the number of residential units, and type, by income range.

Table 3-8: Trade Area Demand for Rental

Annual Household Income Range	Approximate Rent Range	Rental Demand (Incomes $15K+)
$15-25K	$375 - $625	2,761
$25-35K	$625 - $875	3,410
$35-50K	$875 - $1,000	3,248
$50-75K	$1,000+	2,338
$75-100K	$1,000+	1,169
$100-150K	$1,000+	1,364
$150K and up	$1,000+	585
Totals		**14,875**

Source: HGAC; U.S. Census; Claritas, Inc.; and Ricker | Cunningham.

Figure 3-10: Trade Area Demand for Residential Units by Income Range



Retail

Factors that influence the boundaries of a retail trade area include several of those that inform residential trade areas, as well as: access and visibility from major thoroughfares; proximity of close-in residential neighborhoods; number, type and location of activity generators and their potential appeal among targeted markets; along with current market conditions, particularly among competitive projects; and, potential market voids. Significant retail concentrations located proximate to the Trade Area, including the Pearland Town Center and Center at Baybrook Mall, while not direct competition with retail establishments in the Study Area, serve as its eastern and western boundaries. **Figure 3-11** illustrates the Retail Trade Area boundaries, extending from Monroe and Beamer Roads on the east, Interstate 610 (I-610) on the north, Scott Street, Cullen Boulevard and FM 1128 on the west, and State Highway 6 (SH 6) on the south.

Principal competition for Trade Area retail uses includes commercial concentrations along corridors such as Interstate 610, the Sam Houston Tollway, and Broadway Street.

Figure 3-11: Retail Trade Area

Retail Supply

As shown in **Table 3-9**, the Pearland submarket represents approximately 42% of space in the Trade Area. As its largest submarket, Pearland is currently outperforming other jurisdictions in the Trade Area, as well as the Metro Area as a whole, at least in terms of vacancy rates, but rental rates, too, are at the high end of the range. **Figures 3-12 and 3-13,** illustrate the location of retail space in the Trade Area in two formats: by the size of space within established ranges; and, amount in comparative concentrations. As reflected, the greatest concentrations of space is located at the northern end of the Study Area, and through the Study Area along Broadway Street.

Table 3-9: Trade Area Retail Market Conditions

Retail Indicator	Pearland	Alvin	Friendswood	Houston	Manvel	Webster	Total Retail Trade Area	Houston Metro Area
All Retail								
# of Buildings	**299**	18	67	486	12	4	886	--
Rentable SF	**3,963,381**	521,538	1,157,788	3,783,669	59,674	58,616	9,544,666	268,171,181
Vacancy Rate	**5.0%**	1.2%	7.1%	5.1%	5.0%	14.5%	5.1%	6.2%
Rental Rate/SF Range	**$10.00 to $26.00**	$8.00 to $11.00	$12.00 to $27.00	$9.00 to $28.00	$8.00 to $15.00	$10.00 to $20.00	$8.00 to $28.00	$9.00 to $40.00

Source: CoStar Group and Ricker | Cunningham.

Retail Demand (from all sources)

Demand for commercial retail, service and restaurant space in a trade area is based on retail expenditures from two principal sources: expenditures by trade area residents outside the area, otherwise referred to as "leakage"; and, expenditures among new households in the trade area. The methodology used is to estimate household retail expenditures within several major retail categories, and compare them to actual retail sales completed in the same geography, the difference being either a retail "surplus" (supply exceeds demand) or deficit (demand exceeds supply).

As **Table 3-10** shows, there is a loss of nearly $350 million in sales by Trade Area residents, across virtually every retail category, with the exception of sporting goods, hobby, books and music. Where these sales to be recaptured, the Trade Area could support an additional 996,000 square feet of space.

Figure 3-12: Trade Area Retail Supply

Figure 3-13: Trade Area Retail Supply (Heat Map)

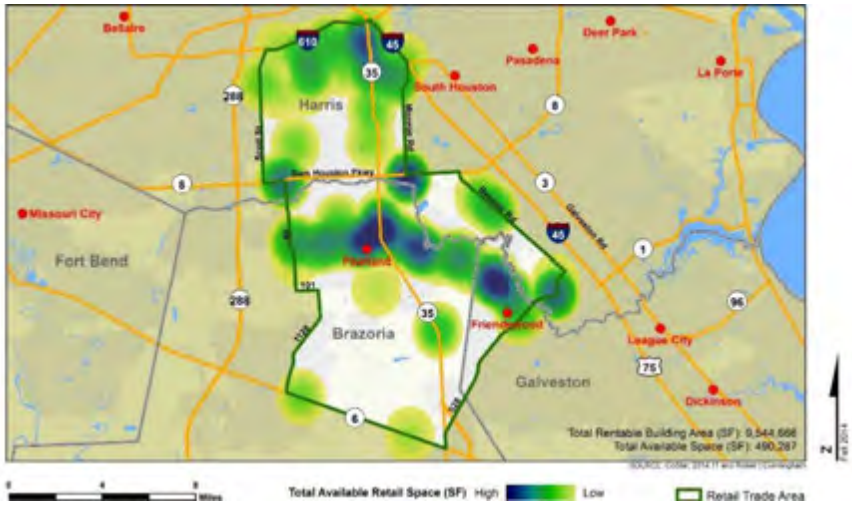


Table 3-10: Trade Area Retail Demand from Retail Leakage and Household Growth

Retail Category	Estimated 2014 Household Retail Demand	Estimated 2014 Retail Sales (Supply)	Estimated 2014 Retail Void (Leakage)	Estimated Retail Sales/SF	New Retail Space Needed to Recapture Void/Leakage	Annual Household Growth Rate (2014-2024)	Net New Household Retail Demand	New Retail Space Needed for Household Growth
Furniture & Home Furnishings	$64,846,417	$43,073,059	$21,773,358	$275	79,176	1.80%	$12,664,659	46,053
Electronics & Appliance	$59,025,751	$34,994,619	$24,031,132	$300	80,104	1.80%	$11,527,869	38,426
Bldg Materials, Garden Equipment	$323,384,303	$293,328,198	$30,056,105	$375	80,150	1.80%	$63,157,720	168,421
Food & Beverage (Grocery)	$393,567,435	$380,373,037	$13,194,398	$450	29,321	1.80%	$76,864,652	170,810
Health & Personal Care	$187,283,751	$138,478,093	$48,805,658	$400	122,014	1.80%	$36,576,960	91,442
Clothing and Accessories	$159,832,653	$123,997,909	$35,834,744	$300	119,449	1.80%	$31,215,696	104,052
Sporting Goods, Hobby, Book, Music	$63,335,134	$195,905,088	$0	$300	0	1.80%	$12,369,502	41,232
General Merchandise	$399,576,377	$343,119,512	$56,456,865	$375	150,552	1.80%	$78,038,213	208,102
Miscellaneous Stores	$81,734,250	$39,558,838	$42,175,412	$275	153,365	1.80%	$15,962,893	58,047
Foodservice & Drinking Places	$334,953,314	$257,523,204	$77,430,110	$425	182,188	1.80%	$65,417,176	153,923
Total	**$2,067,539,386**	**$1,850,351,557**	**$349,757,783**		**996,319**		**$403,795,339**	**1,080,508**

Source: Claritas, Inc.; Urban Land Institute; and Ricker | Cunningham.

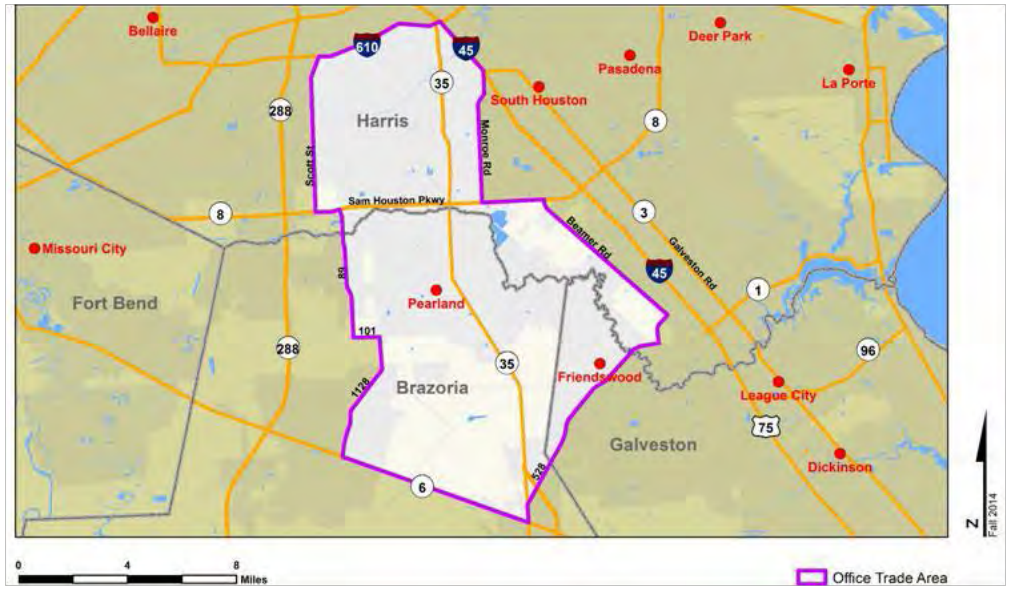
Retail Demand (New Household Growth)

Projected demand from new household formations over the next ten years is determined by multiplying growth in households with that portion of household income typically spent on general retail and service purchases. As shown in **Table 3-10**, an additional $404 million in retail spending is anticipated from new household growth, supporting approximately 1.1 million square feet. Combining projected demand from "leakage" with demand from new household formation, results in total retail demand for approximately 2.1 million square feet of retail space in the Trade Area over the next 10 years.

Office

Factors that influence the boundaries of an office trade area include several conditions and perceptions such as: the presence or lack of access and visibility from major thoroughfares; concentrations of other employment uses or businesses in close proximity; number and type of activity generators; and, the competitive inventory and / or potential market voids. Newer office concentrations proximate to the Trade Area include Pearland Town Center and the Shadow Creek Business Center to the west. As reflected in **Figure 3-12**, and similar to the Retail Trade Area, the Office Trade Area extends from Monroe Road and Beamer Road on the east, Interstate 610 on the north, Scott Street, Cullen Boulevard and FM 1128 on the west, and State Highway 6 on the south. The primary competition for Trade Area office uses includes commercial concentrations along corridors such as Interstate 610, State Highway 35 (north the Study Area), and Broadway Street.

Figure 3-12: Office Trade Area



Office Supply

As shown in **Table 3-11**, the Pearland submarket represents approximately 35% of overall Trade Area space. As one of the largest submarkets in the Trade Area, Pearland is currently outperforming the overall Houston Metro Area in terms of vacancy and has rental rates at the higher end of the range in the Trade Area.

Figures 3-13 and 3-14 illustrate the location of office space in the Trade Area in two formats: 1) by the size of the space within established ranges; and 2) by the amount of space in comparative concentrations. As reflected, the greatest concentrations of office space are located at the northeastern portion of the Study Area and through the Study Area along Broadway.

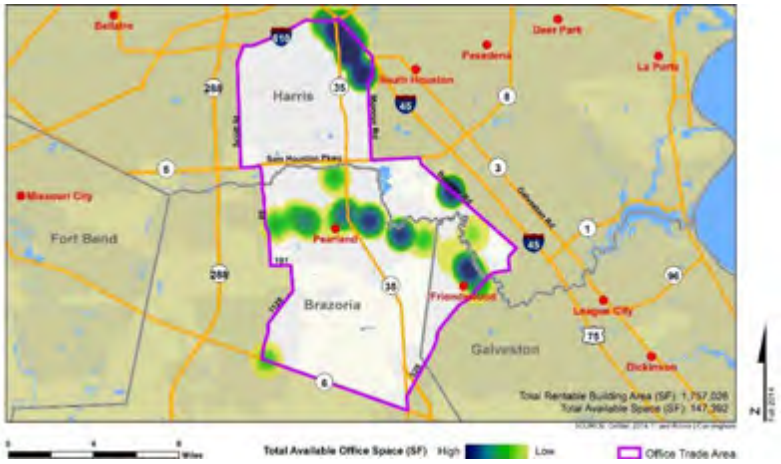
Table 3-11: Trade Area Office Market Conditions

	SH 35 Corridor Trade Area						
Office Indicator	**Pearland**	**Alvin**	**Friendswood**	**Houston**	**Manvel**	**Total Office Trade Area**	**Houston Metro Area**
All Office							
# of Buildings	**89**	5	44	81	1	220	6,391
Rentable SF	**610,837**	31,706	374,531	733,231	6,721	1,757,026	276,400,987
Vacancy Rate	**7.0%**	0.0%	4.9%	11.6%	18.1%	8.4%	11.2%
Rental Rate/SF Range	**$12.00 to $25.00**	--	$15.00 to $29.00	$12.00 to $19.00	$10.00 to $12.00	$10.00 to $29.00	$15.00 to $33.00

Source: CoStar Group and Ricker | Cunningham.

Figure 3-13: Trade Area Office Supply

Figure 3-14: Trade Area Office Supply (Heat Map)



Office Demand (Total)

The potential for office space in a trade area is derived from two primary sources -- expansion of existing industry and the relocation of new companies into the trade area. As **Table 3-12** shows, employment projections by industry classification in the Trade Area were used to estimate demand for employment space over the next 10 years. At an overall annual rate of 1.9% sustained employment growth, the Trade Area should add approximately 32,900 new jobs over the next 10 years. Whereas differing levels of office space are needed among different industries, the analysis here suggests support for approximately 2.0 million square feet of new office space over the next 10 years. The Study Area should be able to capture a reasonable share of this office demand, particularly for local service and small business space.

Table 3-12: Trade Area Total Office Demand

Industry Category	Estimated 2014 Employees	Estimated Growth Rate 2014-2024	Estimated 2024 Employees	Estimated New Employees	Estimated % in Office Space	Estimated Net New Office Employees	SF per Office Employee	Estimated 10-yr Office Demand
Natural Resources, Mining and Construction	14,691	2.20%	18,262	3,571	40%	1,429	200	285,714
Manufacturing	11,834	1.10%	13,202	1,368	5%	68	200	13,681
Trade, Transportation and Utilities	29,309	1.30%	33,350	4,041	10%	404	200	80,819
Information	1,666	0.60%	1,769	103	80%	82	200	16,435
Financial Activities	7,568	1.30%	8,611	1,043	90%	939	200	187,808
Professional and Business Services	20,582	2.00%	25,089	4,507	80%	3,606	200	721,174
Educational and Health Services	34,643	2.70%	45,219	10,576	20%	2,115	200	423,034
Leisure and Hospitality	13,769	2.40%	17,454	3,685	10%	369	200	73,706
Other Services (includes Self-Employed)	18,460	1.50%	21,423	2,964	30%	889	200	177,813
Government	6,679	1.50%	7,751	1,072	30%	322	200	64,334
Totals	**159,200**	**1.89%**	**192,131**	**32,931**	**31%**	**10,223**	**200**	**2,044,518**

Source: Texas Workforce Commission; HGAC; and Ricker | Cunningham.

Industrial

Factors that influence the boundaries of an industrial trade area include several conditions and perceptions such as: the presence or lack of access and visibility from major thoroughfares; concentrations of other employment uses or businesses in close proximity; number and type of activity generators; and, the competitive inventory and / or potential market voids. While there are concentrations of industrial space throughout the Trade Area, the newest buildings are located at the eastern edge of the Trade Area, along Interstate 45. As reflected in **Figure 3- 14**, the Industrial Trade Area extends from Interstate 45 and State Highway 3 on the east, the Southwest Freeway on the north, State Highway 288 on the west, and State Highway 6 on the south. The primary competition for Trade Area industrial uses includes concentrations along corridors such as Interstates 45 and 610, State Highway 35 (through the Study Area), and State Highway 3.

Figure 3-14: Industrial Trade Area

Industrial Supply

As shown in **Table 3-13**, the Pearland submarket represents approximately 9% of overall Trade Area space. As the second largest submarket in the Trade Area, Pearland is currently outperforming the rest of the Trade Area and the overall Houston Metro Area in terms of vacancy and has rental rates at the higher end of the range. **Figures 3-15 and 3-16** illustrate the location of industrial space in the Trade Area in two formats: 1) by the size of the space within established ranges; and 2) by the amount of space in comparative concentrations. As reflected, the greatest concentrations of industrial space are located north and east of the Study Area.

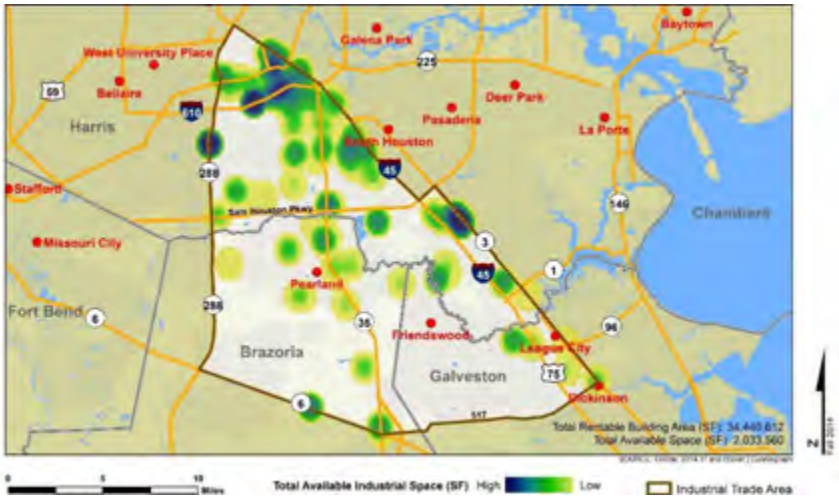
Table 3-13: Trade Area Industrial Market Conditions

	SH 35 Corridor Trade Area								
Retail Indicator	**Pearland**	**Alvin**	**Dickinson**	**Friendswood**	**Houston**	**League City**	**Manvel**	**Webster**	**Houston Metro Area**
All Retail									
# of Buildings	**200**	31	14	23	1,106	35	7	55	--
Rentable SF	**3,190,099**	676,710	122,260	266,592	28,649,683	400,554	50,212	999,955	491,720,505
Vacancy Rate	**3.1%**	15.5%	8.4%	16.8%	5.4%	10.5%	0.0%	17.0%	5.5%
Rental Rate/SF Range	**$7.00 to $14.00**	$5.00 to $7.00	--	$9.00 to $14.00	$4.00 to $12.00	$9.00 to $15.00	--	$5.00 to $9.00	$4.00 to $11.00

Source: CoStar Group and Ricker | Cunningham.

Figure 3-15: Trade Area Industrial Market Supply

Figure 3-16: Trade Area Industrial Supply (Heat Map)



Industrial Demand (Total)

The potential for industrial space in a trade area is derived from two primary sources -- expansion of existing industry and the relocation of new companies into the trade area. As **Table 3-14** shows, employment projections by industry classification in the Trade Area were used to estimate demand for employment space over the next 10 years. At an overall annual rate of 1.9% sustained employment growth, the Trade Area should add approximately 32,900 new jobs over the next 10 years. Whereas differing levels of industrial space are needed among different industries, the analysis here suggests support for approximately 3.1 million square feet of new industrial space over the next 10 years. The Study Area should be able to capture a reasonable share of this industrial demand and should be able to support both larger- and smaller-scale industrial users.

Table 3-14: Trade Area Total Industrial Demand

Industry Category	Estimated 2014 Employees	Estimated Growth Rate 2014-2024	Estimated 2024 Employees	Estimated New Employees	Estimated % in Industrial Space	Estimated Net New Industrial Employees	SF per Industrial Employee	Estimated 10-yr Industrial Demand
Natural Resources, Mining and Construction	9,975	2.30%	12,522	2,547	20%	509	500	254,694
Manufacturing	8,036	1.20%	9,054	1,018	80%	814	500	407,217
Trade, Transportation and Utilities	19,901	1.60%	23,325	3,424	90%	3,081	500	1,540,585
Information	1,131	0.60%	1,201	70	20%	14	500	6,975
Financial Activities	5,139	1.58%	6,011	872	5%	44	500	21,803
Professional and Business Services	13,976	2.30%	17,544	3,568	10%	357	500	178,416
Educational and Health Services	23,523	3.10%	31,921	8,398	10%	840	500	419,914
Leisure and Hospitality	9,350	2.60%	12,085	2,736	5%	137	500	68,398
Other Services (includes Self-Employed)	12,535	1.70%	14,836	2,302	10%	230	500	115,075
Government	4,535	1.70%	5,368	833	20%	167	500	83,271
Totals	**108,100**	**2.16%**	**133,867**	**25,767**	**24%**	**6,193**	**500**	**3,096,348**

Source: Texas Workforce Commission; HGAC; and Ricker | Cunningham.

Target Industry Analysis

In addition to identification of potential land uses and product types with potential for investment in the Study Area, this task involved the identification of targeted industries which might find conditions in the Corridor favorable. The Target Industry Analysis provides direction for future marketing efforts and assists in defining appropriate infrastructure improvements. By focusing the land use program on existing industries that may expand, and new industries that will potentially seek relocation and expansion opportunities in the market, PEDC and the City will make the most efficient use of available resources and more effectively position itself for investment.

Business siting location decisions tend to place the greatest emphasis on market, operational, and personal linkages with sites that are ultimately selected. Since many siting projects are initiated because of dissatisfaction with operating conditions in an existing location rather than the need for additional space, this fact lends credibility to a geographic targeting approach. The results of the target industry analysis completed here includes target industries and business groups that will be attracted to the competitive advantages of the southern Houston Metro Area and Pearland markets, and that represent promising development opportunities for the Study Area.

Industries were selected based on their growth performance, since business expansion and new market development are two of the most common reasons underlying the need for additional production or service capacity. Among those that survived the growth analysis, they were evaluated further to determine their existing level of investment in the region, thereby providing a location quotient by which other industries could be measured. Those that survived this screen, were further analyzed for their viability as a long-term investment opportunity. The industries and business groups that have been identified as having potential for local investment reflect the competitive advantages of the regional market area include: Electrical Equipment Manufacturing, Chemical Manufacturing, Machinery Manufacturing, Fabricated Metals Manufacturing, Plastics and Rubber Manufacturing, Resins Manufacturing, Electronic Instrument Manufacturing, Communications Equipment Manufacturing, Computer Manufacturing, Petroleum and Coal Manufacturing, and Beverage Manufacturing. These industry groups suggest potential for future growth in sales and employment, regionally and nationally, and are considered compatible with the local market. Descriptions of priority industry targets are presented in **Appendix H**.

Market Share

A number of factors influence an area's ability to capture investment dollars. These can be categorized as: top down considerations; bottom up considerations; external considerations; and others. Some the public sector (or stakeholder entities) can control, and others they cannot.

Top-Down Considerations

- Demand for certain land uses
- Demographic and psychographic conditions which support certain product types
- Untapped market niches (product voids)
- Competitive projects (proposed, planned and under construction)

Bottom-Up Considerations

- Physical capacity of the community / individual parcels to accommodate market-supported product types – fewer physical constraints
- Vision and desire for certain uses and product types
- Size of parcels, parcel ownership (public and private), owner investment objectives
- Zoning (and other regulations) and presence of easements

External Considerations

- Delivery system – who are the area's builders / developers, what are they willing and able to offer
- Financing markets – availability of capital with reasonable funding terms for certain product types
- Forces beyond those currently in the market (e.g., migration to Metro Area by persons who do not represent the existing profile of residents and consumers)

Other Considerations

- Available resources to position and promote investment in the community
- Public support for a long-term vision

Based on the market analysis summarized herein, the land uses summarized in **Table 3-15** are supportable within the Study Area. Ideally, a mix of uses will be configured in a synergistic manner that encourages an integration of activities and product types. When effectively integrated, these multi-use developments yield higher values for a more sustained period of time. Rather than addressing the needs and interests of single markets, collectively, the land uses tend to become destinations and draw on the interest of individuals beyond their respective trade areas. Whereas the Study Area has several property owners, and each one maintains individual entitlements, achieving an appropriate balance of uses will be highly dependent on the partner entities' efforts and their willingness and ability to employ a combination of policies, incentives and regulations to inform and guide investment. Beyond its uses, successful development of the Study Area will depend on a commitment to quality over quantity as reflected in a unified program of signs, gathering places, and landscaped features; appropriate transitions between uses; access to, yet preservation of natural amenities; and, improvements of a suitable scale.

Table 3-15: SH 35 Corridor Potential 10-Year Market Share

		SH 35 Corridor Study Area			
	Trade Area Demand	Market Share		Absorption (Units/SF)	
Land Use Type	(10 Year)	Low	High	Low	High
Residential (Units):					
Single Family Detached	32,328	2%	3%	647	970
Single Family Attached	13,855	8%	12%	1,108	1,663
Rental Apartments	14,875	8%	12%	1,190	1,785
Non-Residential (SF):					
Retail	2,076,827	15%	20%	311,524	415,365
Office	2,044,518	15%	20%	306,678	408,904
Industrial	3,096,348	20%	25%	619,270	774,087

Source: Ricker|Cunningham.

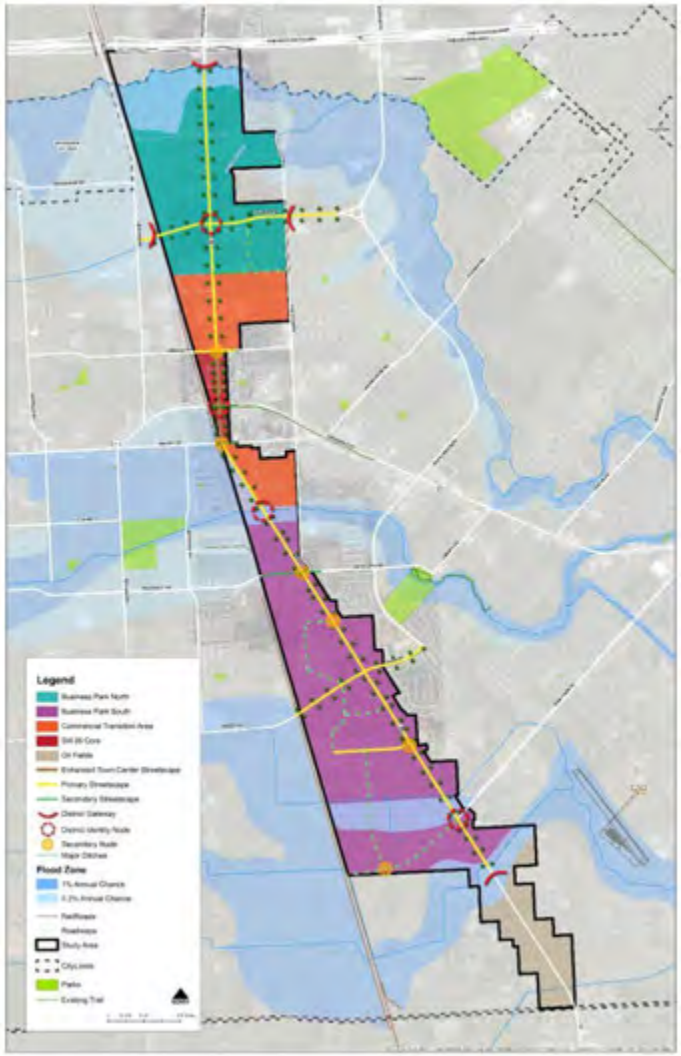
The Study Area is well-positioned to compete for market share with attainable capture rates ranging from 2% to 25% depending on the product type. Actual investment levels will be dictated by numerous factors including – the physical capacity of the area to accommodate development, desires of property owners, community vision, and effectiveness of the City's ability to position itself and its assets and "ready the environment" for investment.

Section 4:

Framework Plan and Catalyst Concepts

The experience of other communities has shown that successful redevelopment initiatives effectively leverage existing land uses, public improvements, and community amenities, both existing and planned, in a manner that creates an identifiable "address" or environment for private investment. With this goal in mind, a graphic illustration of the desired physical framework within which catalyzing investment in the Study Area will occur, was prepared and is presented here as **Figure 4-1**. With input from stakeholders, City staff and members of the community, the SH 35 Framework Strategy was developed depicting desired elements of the Corridor in its redeveloped form. It should be used to inform priority initiatives and capital investments, as well as, inform policy and incentive decisions. Presented in the following discussion is a description of key components of this Framework Plan, followed by more detailed descriptions and analyses of potential catalyzing investment projects.

Figure 4-1: SH 35 Redevelopment Framework Plan



Framework Plan Goals

The SH 35 Corridor Framework Plan identifies the location of potential public improvements and the boundaries of specific districts -- Business Park North, Business Park South, Commercial Transition and SH 35 Core -- where certain land uses and product types are desired. Preferred uses are consistent with stakeholder preferences (as provided by members of the Advisory Committee), as well as findings from market and physical analyses completed in the context of the planning process. The following discussion provides a characterization of Corridor-wide and segment-specific physical infrastructure enhancements.

The SH 35 Corridor, has historically and remains a highly auto-oriented corridor, lacking a consistent program of public improvements, and building improvements covering a wide range of quality levels. Many of the Framework Plans elements are intended to provide amenities and enhancements to the public realm that will unify uses within its boundaries, and connect different centers of activity. In addition to enhanced non-vehicular mobility, improvements to its aesthetic appeal are also principal objectives of this Strategy. Landscaping improvements are intended to enhance its visual appearance, while also balancing soft and hardscapes within its boundaries. Other recommended investments include an enhanced Old Townsite streetscape, primary and secondary streetscapes, and district gateway and identify nodes improvements. Existing conditions reflected including major ditches, flood zones, the rail corridor, and municipal parks.

Catalyst Investment

As explained earlier, a catalyst concept is *a development and / or redevelopment project with the potential to have a positive economic ripple effect on properties within an area of influence*. Within the SH 35 Study Area, several projects were identified and determined to have the potential to leverage private investment despite certain development challenges. Analyses completed as part of the vetting process included:

- understanding the physical capacity of specific sites and the Corridor as a whole to competitively accommodate the concepts
- determining if there was sufficient local or regional market support for specific components
- testing their financial feasibility, and in so doing quantify the magnitude of any economic gap
- identifying other barriers to development so that actions could be implemented to mitigate or overcome them
- ultimately, prioritizing public initiatives that would effectively "ready the environment" within the Corridor for investment

It is important to note that among the five projects identified and described below, they include both public improvement and private development projects. In addition, not all of them need occur in the location described. Among the non-site specific concepts, these are referred to as floating concepts whereas they have the potential for application in multiple locations.

Elements of Catalyzing Concepts

In addition to possessing the potential to leverage private investment, the catalyst projects identified here were considered to have the ability to "prove up" support for uses and products that may not as yet exist in the market today. It is widely concluded that just because a specific land use or product type if not part of the available inventory, there is limited or no support from trade area residents and consumers. While in some instances this may be the case, more often than not, their absence is due to the inexperience or unwillingness of builders and developers, or limiting regulations. Efforts such as this one can provide the market reconnaissance and financial analyses necessary to raise awareness among these critical audiences. Similarly, it can educate public officials about the inherent risks associated with pioneering new projects, and essential role they can play in minimizing uncertainty and risk.

The five project concepts identified as having either near-term development potential, or the ability to mitigate adverse conditions and in so doing leverage near-term development, include the following:

Catalyst No. 1 Northern Gateway and Corridor Improvements

Catalyst No. 2 Business Park North

Catalyst No. 3 3a. Restaurant and Entertainment Destination

3b. Main Street Buildings and Urban Environment

Catalyst No. 4 4a. Old Town Esplanade

4b. New Community on former Alvin Community College Campus

Catalyst No. 5 Business Park South

Several factors were used to identify locations within the Corridor that presented appropriate host-environments for near-term investment. Factors considered included:

- property ownership
- financial basis

- ratio of physical improvement to land value
- trend in property appreciation or depreciation
- proximity to existing or planned public improvements
- potential impact of different concepts on surrounding land uses
- capacity of existing infrastructure

Concept development programs were informed by the following considerations which, similar to the Framework elements, emerged from an understanding of existing conditions along with stakeholder input. Factors considered included:

- presence of an obstacle deemed significant enough (real or perceived) to dilute or negate the Corridor's competitive advantages
- existing property ownership interest in participating in furthering key components
- magnitude of the financial gap (if any) between project costs and revenues
- proximity of available sites to existing or planned improvements or centers of activity
- knowledge gained during analysis of the market and its demographic and psychographic profile

All of these considerations are represented in the following list of catalyst criteria which were developed with guidance from members of the Advisory Committee to this project.

Catalyst Criteria

- Potential to support a market opportunity (physical capacity, location, access, visibility)
- Opportunity to strengthen and / or link existing districts or activity center
- Ability to leverage existing or planned investment
- Surrounded by a supportive physical environment (presence of parks, open space, etc.)
- Favorable property ownership patterns (willing owner or seller, public or private)
- Compatible with policy and regulating documents (or if not, possessing public support)

- Availability of resources (or incentives) to address challenges
- Presence of supportive entities such as adjacent land owners or at least few opponents

Catalyst Projects

Each catalyst project and its components are described in more detail below. Whereas each one is prototypical, since no commitments of financing or development have been made, they should be interpreted with a certain level of flexibility. To this end, and as described, they are not intended to be prescriptive, but rather informative. Supporting recommendations regarding how to advance them in whole or in part, presented in the following section of this report, advises that PEDC and the City lead efforts to promote their potential. Where municipal regulations are inconsistent with the concept, it is assumed the City will either work with existing owners to amend current requirements or expedite requests of exceptions. Financial resources for private development projects are assumed to include a combination of traditional private sources, available municipal mechanisms (380 agreements, TIF) and economic development dollars.

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Purpose

Offer a business location for office and industrial users seeking a high quality setting offering supportive infrastructure and amenities and access to points north and south of Pearland and Houston Metropolitan Area.

Challenges

- Existing development on both the east and west sides of SH 35 at north end of corridor do not reflect desired uses, character or quality
- Recent TxDOT improvements are marginal in terms of aesthetic appeal and are without function in some locations

- Presence of overhead utilities
- Location and capacity of utilities vary by location
- Existence of pipelines and drainageways

Objectives

- Create identifiable "address" in the region
- Introduce business park improvements (trails, signage, creek, bridge, intersection)
- Replace hardscapes with softscapes in an effort improve appearance and "cool environment"
- Extend the Corridor's "gateway area" beyond the existing monument sign north of Clear Creek to Knapp Road and overcome challenge created by distance to municipal boundary
- Three options for landscape improvements with differing levels of complexity (presented in order from least aggressive to most, and correspondingly, least expensive and impactful to most):
  - establish an ornamental fence along the flea market property line and saw-cut existing concrete drainage structure to establish vines
  - remove and fill concrete drainage structure and establish an ornamental wall and shrub plantings
  - negotiate for frontage within select parcels located adjacent to the SH 35 Corridor in order to accommodate a berm or ornamental wall and shrubs
- Densify landscape (grass) area in front of existing fence with ornamental shrubs and trees (natives) – utilize temporary irrigation system to establish plants

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Existing Conditions

Proposed Improvements – Northern Gateway

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Proposed Improvements – South of Entry Drive (example images)

Catalyst No. 1 - Northern Gateway and Corridor Improvements (Intersection Imagery)

Development Economic Analysis

Public investment for this catalyst project could include both corridor and streetscape improvements. Phased streetscape improvements could begin with fencing and native plantings and then be expanded to include screening walls, utility adjustments, street excavation, and easement purchases. **Table 4-1** illustrates the economic/fiscal impact of these improvements.

Modular Signage Concept for SH 35 & McHard Rd. Intersection:

Modular Signage Concept for SH 35 & Broadway St. Intersection:

Identity signage concept for District Identity Nodes. Materials adapted from the Pearland Beautification Strategy Study. Signage shown within a context of native plantings: coastal grasses and ornamental trees per design concepts above.

Custom Designed Pear metalwork

Accent lighting to highlight variations in materials

Brushed aluminum panel with green lettering and cut, etched stone base

City of Pearland Monument Sign Concept

Table 4-1: Catalyst No. 1: Economic/Fiscal Impact

Catalyst Project Program		
		Linear Feet
Roadway Improvements		1,300
Streetscape Improvements (Option C)		1,200
Estimated Project Cost/Value		
		Total Cost
Roadway Improvements		$1,200,000
Streetscape Improvements (Option C)		$250,000
Estimated Property Value Increase		
Property Frontage (Linear Ft)	2,400	
Property Depth (Linear Ft)	500	
Impacted Property Sq Ft		1,200,000
Current Property Market Value	$5.00	$6,000,000
Increase in Market Value (10%)	**10%**	**$600,000**
Annual Property Tax Revenue Increase	**0.7121**	**$4,273**
Increase in Market Value (20%)	**20%**	**$1,200,000**
Annual Property Tax Revenue Increase	**0.7121**	**$8,545**

Source: Kimley Horn and Ricker|Cunningham.

As shown, approximately $600,000 to $1.2 million in increased development value could be generated by this catalyst project, resulting in $4,300 to $8,500 in new annual tax revenues.

Development Strategy

PEDC and City complete the following priority capital projects -- gateway enhancements, wayfinding (signage), and softscapes where hardscapes currently exist *so that* individual parcels within the Corridor appear to be part of a consistently designed and maintained environment; natural "screens" adjacent to the right-of-way *so that* the area's visual appearance is improved; design pavers and enhanced landscaping at intersections and other significant nodes where private investment is eminent *so that* public investment is leveraged; and, connections to local and regional trail systems so that employees can arrive via multiple forms of mobility.

Phasing and Timing

Assuming that private investment follows public commitment, complete improvements within the following categories in the order presented or as dollars are available for specific project components –

Phase No. 1 - northern "gateway" and "screening" improvements
Phase No. 2 - intersection and corridor improvements in locations that most effectively leverage private investment
Phase No. 3 - aesthetics and amenities including trail connections, bike paths, signage, landscaping

Property Assemblage, Positioning and Disposition

Educate property owners in the Corridor about the vision for an improved physical environment and discuss options for *PEDC to* proactively locate, install, and maintain enhanced landscaping and other public spaces -- *if property owners are willing to* dedicate an easement to either PEDC or the City, transfer ownership and / or accept a variance where current easements exist -- where rights-of-way bifurcate multiple jurisdictions, solicit *public entity interest* in participating in a cooperative agreement and / or being part of an overlay district that solidifies anticipated improvement levels and their location.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

Catalyst No. 2: Business Park North

Purpose

"Ready" or position properties (both private and public) for investment by completing due diligence research efforts on behalf of private sector property owners by identifying and eliminating barriers to investment, and streamlining the timeframe between site acquisition and / or completion of vertical improvements.

Challenges

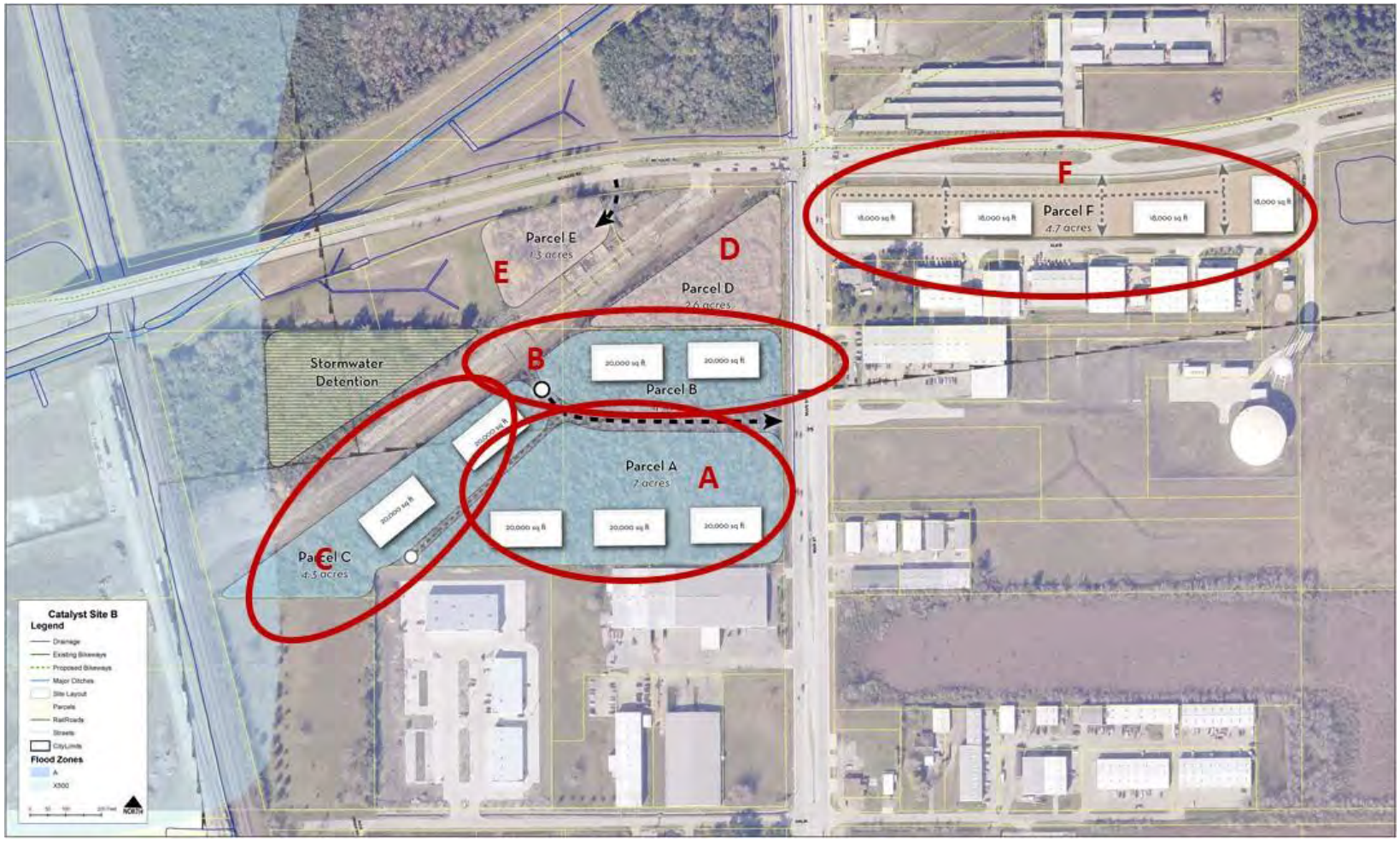
- Presence of floodplain constraints and major pipeline easement
- Location of utilities varies by location (along eastern or western edge of 35)
- Environmental contamination of select parcels
- Overall appearance of corridor (lack of consistency, no unifying design elements)
- Zoning on select parcels that is inconsistent with the expressed vision

Objectives

- New road off SH35 to serve southwest quadrant
- Stormwater detention improvement is located north of the pipeline easement and adjacent to the floodplain -- serving the entire site
- Vehicular access would need to be made available from McHard Road and Alice Street (for Parcel F) (see illustration below)
- Development would require removal of abandoned infrastructure

Catalyst No. 2: Business Park North

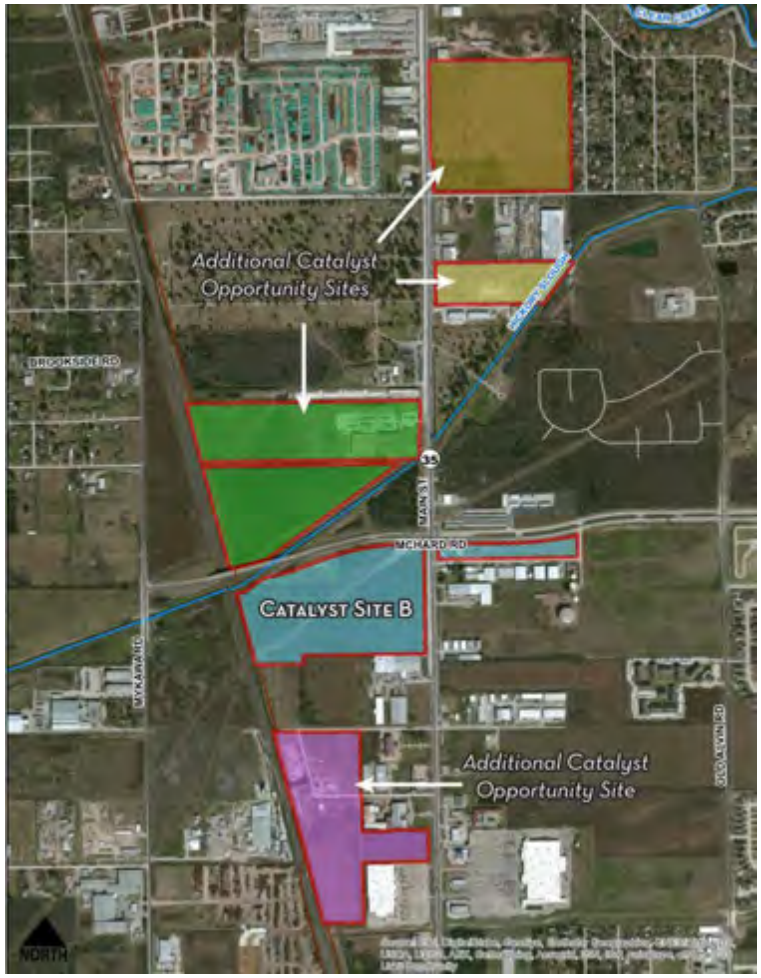
Southwest Quadrant (McHard and SH 35)



Catalyst No. 2: Business Park North

Proposed Improvements – South of Entry Drive (example images)

Possible Locations



Catalyst No. 2: Business Park North

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-2** summarizes the economic/fiscal impact of this private project.

Table 4-2: Catalyst No. 2: Economic/Fiscal Impact

Development Program		
	Units	**Square Feet**
Retail/Restaurant		12,000
Flex/Employment		230,000
Residential (Rental)	0	0
Residential (For-Sale)	0	0
Gross Floor Area		242,000
Project Land Area		1,041,084
Floor Area Ratio		23%
Development Pro Forma Summary		
Total Project Value		$28,373,733
Total Project Cost		$27,875,626
Project Margin/"Gap"		$498,108
% Project Margin/"Gap"		2%
Potential Tax Revenues		
Taxable Development Value		$24,800,000
Annual Property Tax Revenues		$176,601
Annual Sales Tax Revenues		$45,000
Potential New Residents		0
Potential New Employees		605

As shown, approximately $24.8 million in increased development value could be generated by this catalyst project, resulting in over $221,000 in new annual tax revenues. In addition, the project could generate 605 new jobs. Development of the project would result in a surplus estimated at $498,000, or 2% of project costs. Because this analysis includes developer profit of 10%, this catalyst represents a "doable" redevelopment project.

Development Strategy

Establish a policy whereby PEDC and the City participate with property owners in funding the construction of infrastructure improvements in an effort to position properties for near-term investment, acknowledging that eligible parcels will meet specified criteria such as -- vacant for an extended period of time, presenting potential for job creation (primary), ability to advance key economic development goals, and others.

Phasing and Timing

The timing of improvements within private properties will be dictated by several factors (some outside PEDC's control), among them:

- interests and resources of private property owners
- resources of PEDC and other advocacy entities who may participate in funding improvements (proactive efforts)
- number and condition of available properties
- number of meritorious parcels (see criteria) who request assistance (reactive efforts)
- Proactive efforts - priority properties for targeted investment (either publicly- or privately-held) will have the fewest obstacles (barriers) to investment and be in the most strategic locations based on meritorious measures such as:
  - at or near an intersection
  - uninhibited access to the Corridor
  - visibility from either a primary or secondary roadway
  - adequate in size and shape to accommodate a marketable improvement
- Reactive efforts - timing will be dictated by requests for assistance by property owners with strategically-located properties and a meritorious development concept

Property Assemblage, Positioning and Disposition

PEDC will consider the acquisition of private properties made available by existing owners in an effort to entitle (if necessary), improve and position (if deemed feasible), and sell (dispose of) to an individual or entity willing to advance the vision and objectives defined herein -- priority properties should include those within the identified catalyst areas and other locations where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

Use existing resources of PEDC and the City to complete capital improvements, including any capital reserves or economic development funds.

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination

Purpose - Restaurant and Entertainment Destination

Establish a destination for residents and visitors with commercial venues unique to the area and its "gritty character" and compatible with existing uses that correspondingly provide an environment to incubate local businesses and grow Old Town's dining and shopping offerings.

Challenges

- Railway impacts – noise, smell, others – mitigation
- Multiple property owners
- Zoning on select parcels that is inconsistent with the expressed vision
- “Dry” restrictions on the sale of alcohol

Objectives

- Potential concept - beer garden / restaurant venues
- Improvements – hosting both public spaces and private operators (possible location for food trucks)
- Either reuse or replacement of existing industrial buildings along railroad track to accommodate destination restaurant / entertainment venue

  ---
- New pedestrian improvement along both Sacramento and Jasmine Streets -- connecting existing food operators located north (crawfish restaurant) and east (Killen’s)

Catalyst No. 3 - 3b. Main Street Buildings and Urban Environment

Purpose – Main Street Urban Design

Complement this new venue and existing uses with supportive pedestrian and streetscape improvements, and urban design elements that balance vehicular and non-vehicular movement and provide a "downtown" experience.

Challenges

- Existing improvements constructed with parking in front eliminating the potential for a building edge along the right-of-way
- Few vacant sites, thus requiring either demolition or redevelopment of existing structures – extending timeframe and potentially increasing costs – unit cost for demolition
- Insufficient and inadequate pedestrian improvements to encourage day and nighttime users

Objectives

- Introduction of pedestrian improvements which connect area to uses along Main Street to the north and others east along Jasmine Street
- Pedestrian improvements will be a “draw” unto themselves with natural and man-made enhancements including tree and/or light canopies
- Shared parking located mid-block, eliminating need for more surface parking

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination

Proposed Improvements (example images)

Catalyst No. 3 - 3b. Main Street Buildings and Urban Environment

Proposed Improvements – Pedestrian Connection (example images)

Catalyst No. 3 - 3b. Main Street Buildings and Urban Environment (cont'd)

Proposed Improvements – Street Edge (example images)

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-3** summarizes the economic/fiscal impact of this private project.

Table 4-3: Catalyst No. 3: Economic/Fiscal Impact

Development Program	Units	Square Feet
Retail/Restaurant		33,100
Flex/Employment		0
Residential (Rental)	0	0
Residential (For-Sale)	0	0
Gross Floor Area		33,100
Project Land Area		174,240
Floor Area Ratio		19%
Development Pro Forma Summary		
Total Project Value		$5,767,675
Total Project Cost		$5,389,955
Project Margin/"Gap"		$377,720
% Project Margin/"Gap"		7%
Potential Tax Revenues		
Taxable Development Value		$4,965,000
Annual Property Tax Revenues		$35,356
Annual Sales Tax Revenues		$148,950
Potential New Residents		0

As shown, approximately $4.9 million in increased development value could be generated by this catalyst project, resulting in over $184,000 in new annual tax revenues. In addition, the project could generate 83 new jobs. Development of the project would result in a surplus estimated at $378,000, or 7% of project costs. Because this analysis includes developer profit of 10%, this catalyst represents a "doable" redevelopment project.

Development Strategy

Restaurant and Entertainment Venue Destination

Solicit existing property owners regarding their interest in "hosting" the identified catalyst concept (open-air food court for food trucks or temporary structures for multiple vendors) to test the market's interest before building more permanent structures -- owners will have option to lease or sell property, participate in financing improvements, and share in financial return; if interested in leasing or selling property to a developer or operator, PEDC will issue a developer / operator request and facilitate negotiations -- if no viable responses are received, PEDC should consider property acquisition, construction of temporary improvements, identification of private operators, and management of the space (street on street edge.)

Phasing and Timing

Upon identification of a preferred developer or operator (including the existing owner or PEDC) -- complete the following actions in the order presented or as dollars are available for specific project components --

- determine roles and responsibilities of each relative to required onsite and offsite improvements and funding sources
- obtain regulatory approvals for temporary structures (food court zoning and / or commercial kitchen incubator designation) and food service sales (food truck ordinance)
- identify necessary offsite improvements including pedestrian and streetscape enhancements that connect this venue with other existing food and entertainment establishments including Atchafalaya Crawfish and Killen's Steakhouse and Barbeque and corridor improvements including adjusting the Industrial Drive alignment
- amend the geographical extent of existing Old Town regulations, build-to references and development thresholds that trigger compliance
- depending on investment and return expectations and terms of financing, consider a multi-phase project with
  - temporary structures completed during first phase
  - transitioning to permanent structures during phase two
- update Grand Avenue and Old Town Plans to reflect the recommendations presented herein

Property Assemblage, Positioning and Disposition

If no interest is expressed by either existing property owners or potential developers, PEDC should consider acquiring and leasing or selling a viable site or sites to an operator or operators, and subsequently constructing or participating in the construction of vertical improvements (see Development Strategy).

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Catalyst No. 4 - 4a. Old Town Esplanade

Purpose – Old Town Esplanade

Introduce pedestrian and streetscape improvements which solidify Old Town as a destination for residents and visitors, balancing vehicular and non-vehicular movement, connecting existing and future centers of activity, and catalyzing property investment and reinvestment.

Challenges

- Parking demand is high along Jasmine Street and shared with church complex located to the north
- Insufficient and inadequate pedestrian improvements to encourage day and nighttime users
- Existing and inconsistent pedestrian improvements that will have to be removed and replaced
- Insufficient easement depths to accommodate improvements

Objectives

- Pedestrian improvements from -- East Jasmine Street to Park Avenue, Park Avenue and / or Galveston Street to Killen's, and south to “new neighborhood” within “old airport site”
- Later phase of pedestrian improvements along Grand Boulevard connecting “new neighborhood” within former airport property

- Visually and functionally attractive pedestrian connection to existing destinations
- Enhanced public improvements which become a destination unto themselves
- Possible materials - vine canopy, twinkle lights, brick pavers, tree canopy
- Walkable environment and connections between existing and new investments
- Streetscape along Old Town's principal corridors and public spaces
- Public improvements that serve to stabilize and enhance existing values within established neighborhood
- Enhanced public spaces - within existing buildings, historically-relevant and otherwise (i.e., theater)
- Enhanced pedestrian connections to new and existing anchors
- Retention of street grid
- Green buffer along industrial uses at northern edge of site

Catalyst No. 4 - 4b. New Community on former Alvin Community College Campus

Purpose – New Community on former Alvin Community College Campus

Provide the community with a demonstration of market support for alternative housing product types (a goal of the 2015 Comprehensive Plan), provide a daytime population to support commercial operators, and offer transitional uses between the commercial frontage and established neighborhoods beyond the Corridor.

Challenges

- Historical marker on one building may limit redevelopment options
- Seller's asking price unsubstantiated
- Potential for extraordinary costs associated with remediation and demolition (existing conditions unknown)
- Zoning on select parcels that is inconsistent with the expressed vision

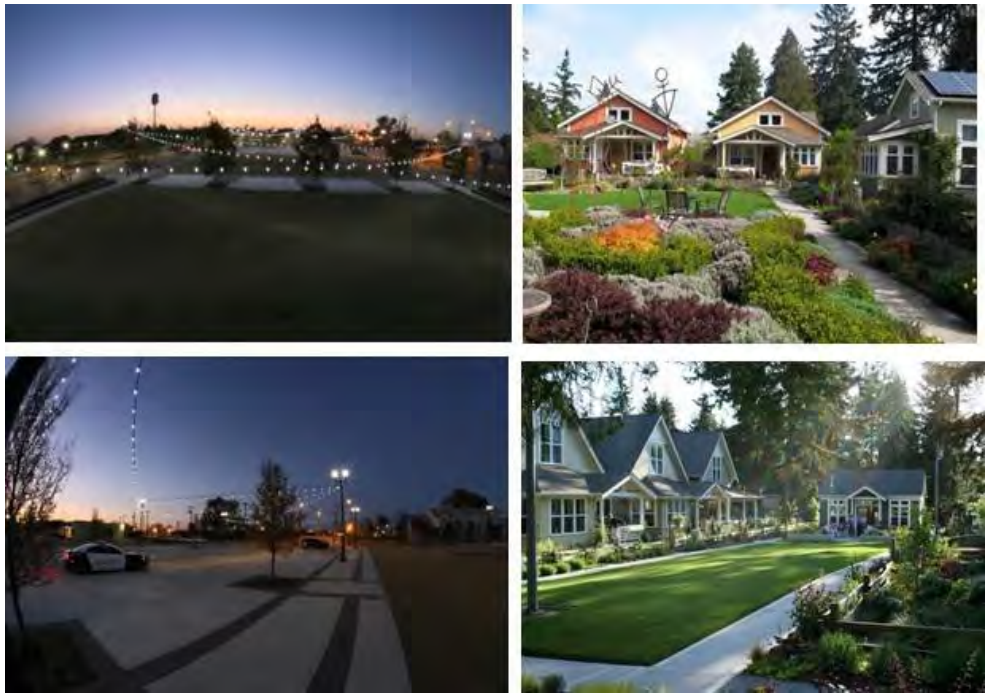
Objectives

- New traditional community with alternative housing products (demonstration project)
- Redevelopment of some existing buildings, demolition of remaining improvements, retention of courtyard area, stronger connection to city park
- 22 cottage units facing Grand Boulevard, Park Avenue and Zychlinski Park
- Vehicular access provided through alleys located mid-block
- Multi-phase project by more than one developer
- Multi-generational neighborhood
- Mix of lot and unit sizes to support needs of multiple generations (singles, families and empty nesters)
- Amenitized public spaces (pocket parks) within 1300' walk of every unit
- Houses fronting all public spaces (parks and streets)
- Replacement use for current non-tax generating improvements
- Infill "new community" on former school site and recent community college property
- Additional "rooftops" in Old Town to support commercial operators

Catalyst No. 4 - 4a. Old Town Esplanade and 4b. New Community on former Alvin Community College Campus

Proposed Improvements

Example Images



Catalyst No. 4 - 4b. New Community on former Alvin Community College Campus

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-5** summarizes the economic/fiscal impact of this private project.

Table 4-5: Catalyst No. 4 Economic/Fiscal Impact

Development Program		
	Units	**Square Feet**
Retail/Restaurant		20,000
Flex/Employment		5,000
Residential (Rental)	0	0
Residential (For-Sale)	22	39,600
Gross Floor Area		64,600
Project Land Area		173,251
Floor Area Ratio		37%
Development Pro Forma Summary		
Total Project Value		$9,040,750
Total Project Cost		$10,949,297
Project Margin/"Gap"		($1,908,547)
% Project Margin/"Gap"		-17%
Potential Tax Revenues		
Taxable Development Value		$9,350,000
Annual Property Tax Revenues		$66,581
Annual Sales Tax Revenues		$22,500
Potential New Residents		62
Potential New Employees		63

As shown, approximately $9.4 million in increased development value could be generated by this catalyst project, resulting in over $89,000 in new annual tax revenues. In addition, the project could generate 62 new residents and 63 new jobs. Development of the project would result in a deficit estimated at $1.9 million, or 17% of project costs, largely due to high land costs and potential environmental remediation. This catalyst would likely require significant public investment to make it a "doable" redevelopment project.

Development Strategy

Old Town Esplanade

PEDC and the City invest in priority capital projects including a pedestrian esplanade that will serve as a destination unto itself while also connecting the restaurant and entertainment destination (see Catalyst No. 3) project to Old Town improvements and existing neighborhoods and destinations to the east (Killens Barbeque) and future neighborhoods to the south.

New Community

Investigate alternative approaches to improve or solicit developers to improve the former community college property as a multi-use neighborhood with a mix of residential product types currently untested in the market, potentially including live-work spaces, along with supportive commercial and community spaces.

Phasing and Timing

Approach the owners (school district) and / or representatives of the community college campus regarding their interest in partnering to solicit the interest of potential master developers -- PEDC will issue the request (for qualifications) and partner with the district (optional) to review submittals , select the developer, and negotiate the sale; if the district is not interested in partnering to pursue a developer, PEDC consider acquiring the properties that comprise the campus, and solicit developer interest independently of the district.

Upon identification of a preferred developer or sale of the campus to PEDC -- complete the following actions in the order presented –

- determine roles and responsibilities of each relative to required onsite and offsite improvements and funding sources including environmental remediation
- obtain regulatory approvals for intended uses including -- higher density single family detached housing units, live-work units for artists, community center, and commercial spaces; as well as, building retrofits (existing theater and historically-significant buildings)
- identify and complete necessary offsite improvements including the esplanade and other improvements intended to accommodate pedestrians and bicycles and connect them to existing uses and activity centers and adjacent neighborhoods along East Jasmine Street and South Grand Boulevard and onsite environmental remediation
- amend the existing Old Town regulations to allow for desired uses in a format consistent with select neo-traditional principles related to setbacks and site lines, and connections to open and public spaces

- depending on investment and return expectations, and terms of financing -- encourage master development of the properties by a single entity, and subsequent sale of individual building pads to multiple builders or developers who will dictate the number and timing of project phases

Property Assemblage, Positioning and Disposition

If the district is not interested in partnering with PEDC to solicit developer interest consistent with the concept vision, PEDC consider acquiring the properties that comprise the campus, independently solicit developer interest, and complete the subsequent action steps described above.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Catalyst No. 5: Business Park South

Purpose

Offer an alternative to the northern segment of the Corridor for business and industry seeking a highly amenitized environment with expansion opportunities and proximity to regional north-south transportation corridors and points south of the Houston Metropolitan Area.

Challenges

- Presence of floodplain constraints and pipeline easements
- Distance to Tollway and Interstate
- Overall appearance of corridor (lack of consistency, no unifying design elements)
- Zoning on select parcels that is inconsistent with the expressed vision

Objectives

- Largest remaining contiguously owned parcels in the vicinity of the Corridor with highest potential for "business park" environment
- Favorable property ownership - Pearland Independent School District (PISD) and single owner (50+ acres)
- High quality public improvements with design controls for public spaces, parking and storage areas
- Offers a location for expansion among existing businesses so they are not lost to other communities
- Utility easements will not negatively impact development potential of properties
- Despite the presence of a ditch on the northern edge of the PISD site, there are no floodplain impacts
- Thoroughfare located along the northern edge of the PISD site was slightly realigned to create a more developable parcel on this edge of the site

Catalyst No. 5: Business Park South (Potential Development Sites)

Catalyst No. 5: Business Park South

Development Economic Analysis

This catalyst project would include a mix of land uses within a private sector development. **Table 4-6** summarizes the economic/fiscal impact of this private project.

Table 4-6: Catalyst No. 5: Economic/Fiscal Impact

Development Program		
	Units	**Square Feet**
Retail/Restaurant		20,000
Flex/Employment		1,500,000
Residential (Rental)	340	272,000
Residential (For-Sale)	0	0
Gross Floor Area		1,792,000
Project Land Area		8,189,280
Floor Area Ratio		22%
Development Pro Forma Summary		
Total Project Value		$197,217,333
Total Project Cost		$200,356,025
Project Margin/"Gap"		($3,138,692)
% Project Margin/"Gap"		-2%
Potential Tax Revenues		
Taxable Development Value		$178,500,000
Annual Property Tax Revenues		$1,271,099
Annual Sales Tax Revenues		$90,000
Potential New Residents		510
Potential New Employees		3,807

As shown, approximately $178.5 million in increased development value could be generated by this catalyst project, resulting in over $1.3 million in new annual tax revenues. In addition, the project could generate 510 new residents and 3,807 new jobs. Development of the project would result in a slight deficit estimated at $3.1 million, or 2% of project costs, largely due to the market "readiness" of the immediate area. This catalyst would likely require limited public investment to make it a "doable" redevelopment project.

Development Strategy

(Similar to Catalyst No. 2 above) PEDC and the City participate with property owners in funding, or proactively finance and complete the construction of infrastructure improvements including those in drainage ways, and utility and infrastructure relocations, all in an effort to enhance their marketability, expedite the timing of private improvements, and ensure desired quality levels.

Phasing and Timing

Phase capital improvements giving the highest priority to those that establish the southern segment of the Corridor as a cohesive employment center, mitigate negative impacts (visual and physical), and catalyze desired private investment; timing within private properties will be dictated by several factors (some outside PEDC's control) including the resources of private property owners and PEDC and location and condition of available meritorious properties.

Property Assemblage, Positioning and Disposition

PEDC work with existing property owners in the Corridor about the vision for an improved physical environment and creation of a business park setting, and -- with willing owners, partner to secure entitlements, finance and construct infrastructure improvements, and market parcels to potential users; with unwilling owners, consider acquisition of available properties and complete the same actions, yet independent of the original owner; priority properties should include those where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite; explore the feasibility of establishing new funding mechanisms including creation of a tax increment district; pursue matching public and private dollars; and, request support from various advocacy entities to assist with either early or ongoing financing for improvements.

PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Economic Feasibility

Project outcomes, including profitability, are influenced by a multitude of factors including a project's location, management, marketing, political support and others. Because there are many "moving parts" to development, and even more associated with redevelopment, success is highly dependent on the elimination of as much uncertainty, as possible. Variables that can heighten risk, and corresponding uncertainty of redevelopment projects, are found in both its cost and revenue assumptions including:

- Variations in land prices, depending on market conditions and property owner expectations;
- On-site development costs, depending on existing conditions;
- Off-site development constraints, including upgrades to existing infrastructure;
- Higher financing costs due to perceptions of risk; and
- Timeframe to absorb space or achieve anticipated rents and / or sale prices.

Among the most significant challenges facing potential catalyst projects such as those presented here are:

- Level of market "education" required to reframe the consumer's perceptions;
- Higher development costs associated with creating a "place" sufficient to attract the desired market segments;
- Ability to overcome investor concerns about the projects' location in a transitional area; and
- Higher project costs associated with the assembly of land, construction staging in a built environment, and parking.

The purpose of preparing economic analyses for each of the catalyst concepts is to provide the City and PEDC with insight into the private investor's perspective regarding the viability of investment in the Corridor, while also providing information that most effectively "tells the story" of the Corridor's potential for investment and reinvestment. Benefits to the public sector include a better understanding of the "order of magnitude" of any financial "gap" that might result from development and / or redevelopment of these or similar projects in the Corridor; and, guidance with regard to the type and number of financing mechanisms and strategies which will be needed

to deliver projects of these types to the market. Since assumptions used are based on prevailing market indicators, final figures associated with actual projects will likely be different as conditions and markets change. For perspective, economic gaps of 20% to 50% are not uncommon in established commercial locations like the SH 35 Corridor that are on the cusp of revitalization. As shown in the following table, two of the projects generate small surpluses, while the other two suggest gaps ranging from approximately 2% to 7%. These surpluses, and relatively small gaps, indicate that the Corridor may be ready for new reinvestment.

Leveraged Investment

One of the primary objectives of publicly-led revitalization efforts is to “leverage” public resources and encourage private investment. While public sector entities should not necessarily expect a healthy return in the early stages of initiatives similar to this one, they should over the mid- to long-term. Whereas the first few development projects in these environments almost always suffer from economic gaps resulting from challenges identified here, the intent of early contributions is to reverse the prevailing trend and prove-up demand for market-supported project concepts. Despite the potential for a limited direct return on public sector efforts in the early phases of these efforts, it is equally rare that public initiatives will not gather momentum as project economics improve to the point where their participation is no longer needed, or at least to the same level.

The catalyst concepts summarized here have multiple phases, and individually and collectively have the potential to effectively leverage a high degree of private investment. As shown in **Table 4-6**, collectively they have the potential to generate over $240 million in new private investment. The potential public investment required to “fill” potential economic gaps would likely range between $6 million and $8 million, yet leverage this involvement at an overall average ratio of 30: to 40:1 ($30 to $40 spent by the private sector for every $1 spent by the public sector).

Public sector decisions regarding participation, and to what degree, should be based on several factors, among them the level of public investment in infrastructure, parking, and land required to encourage or "ready the environment" for investment, and resulting amount of private investment leveraged.

Table 4-6:

Catalyst Project Leverage Summary

Project Indicator	Catalyst Project Concepts			
	Catalyst #2: Business Park North	Catalyst #3: Restaurant and Entertainment Destination / Main Street Buildings and Urban Environment	Catalyst #4: Old Town Esplanade / New Community on Former Alvin Community College Campus	Catalyst #5: Business Park South
Private Sector Investment				
Development Sq Ft:				
Project Land Area (Acres)	23.9	4.0	4.0	188.0
Retail/Restaurant	12,000	33,100	5,000	20,000
Office/Employment	230,000	0	20,000	1,500,000
Residential (Rental)	0	0	0	272,000
Residential (For-Sale)	0	0	39,600	0
Total Private Development	**242,000**	**33,100**	**64,600**	**1,792,000**
Floor Area Ratio	**23%**	**19%**	**37%**	**22%**
Total Project Value (@ Build-Out)	**$28,373,733**	**$5,767,675**	**$9,040,750**	**$197,217,333**
Total Project Costs (@ Build-Out)	**$27,875,626**	**$5,389,955**	**$10,949,297**	**$200,356,025**
Project Margin/(Gap)	**$498,108**	**$377,720**	**($1,908,547)**	**($3,138,691)**
Project Margin/(Gap) %	**2%**	**7%**	**-17%**	**-2%**
Potential Contributions to Gap				
Land Acquisition/Write-down	$0	$0	$0	$0
Site Improvements Contribution	$0	$0	$619,378	$0
Supportable TIRZ (25 Years)	$0	$0	$2,600,000	$51,800,000
Sales Tax Sharing (380 Loan -- 20 Yrs)	$0	$0	$100,000	$500,000
Public Improvement District (20 Years)	$0	$0	$0	$0
Property Tax Abatement (10 Years)	$0	$0	$500,000	$10,800,000
Development Fee Waivers	$0	$0	$0	$0
Federal/State/Local Grants	$0	$0	$0	$0
Streamlined Development Approval Process	$0	$0	$0	$0
Total Contributions to Gap	**$0**	**$0**	**$3,819,378**	**$63,100,000**

Source: Kimley Horn and Ricker | Cunningham.

Section 5:

Implementation

The strategy for promoting development and redevelopment within the SH 35 Corridor is based on an awareness of existing conditions and understanding of desired outcomes, tempered with market realities. To this end, its major components include:

- **Vision** (or **Statement of Intent**)
- **Guiding Principles**
- **Development Approach** - *and*
- **Actions**

Presented in the discussion which follows is: a **vision** for revitalization, expressed as a **statement of intent**; parameters for land use and improvement decisions referred to as **guiding principles**; an **approach** to catalyze private development and improvements the public realm; and, **actions** to overcome **barriers**.

Redevelopment of the SH 35 Corridor will be dependent on numerous projects, programs and policies that collectively "readying the environment for investment." Key to successful implementation will be the ongoing resolution of circumstances that may arise, each one tailored to unique conditions within the Corridor. In addition to recognizing and addressing these challenges, PEDC and the City will need to communicate their accomplishments to stakeholders and local officials so that community support for this redevelopment effort is sustained and public commitment long-term and on-going.

Vision

Statement of Intent

The recommended vision for revitalization of the SH35 Corridor Study Area is ... *a high quality and consistently-designed employment and business environment with compatible land uses and supportive amenities. It will be the community's principal center for new and expanding industries with less impactful operations concentrated in its northern segment. Commercial businesses will primarily be those that support the daytime needs of employers and their employees such as restaurants, supply stores, and maintenance facilities. Larger format commercial businesses will be encouraged to locate near the Corridor's core, where there is already an established base. Along the southern edge of the central segment, the Old Townsite will include a broad mix of product types within a limited number of land use categories, primarily residential, commercial retail and office. Once the community's first district for commerce and industry, new investment will leverage established residential neighborhoods, mature vegetation, and a gridded street system. Uses will build on what is already there, attracting both residents and visitors, and extending their stay. Public improvements will include spaces to host community events while also connecting various activity areas. Early development and redevelopment projects will be encouraged to include both public enhancements and private uses that may, or may not as yet, be tested in the local market, as demonstrations of*

what is envisioned over the near- and long-term.

Guiding Principles

While the purpose of this SH 35 Corridor Redevelopment Strategy is to inform and guide future growth in the Study Area, it is a policy, not regulating document. As such, the only way to protect the expressed vision, and advance the desired improvements, will be to ensure alignment among the City's guiding documents, particularly those codes and standards that will inform investment within its boundaries. In addition, guidance that fosters sound decision-making by the City's leaders will need to be provided, particularly on matters related to land use and capital expenditures, so that they continually reflect and support the intentions herein. Regarding amendments to existing regulations and development standards, several recommendations are provided in **Appendix I**. In terms of information to assist public officials, the following guiding principles are offered as a reference, with each one, while general in nature, intended to reflect existing challenges, potential opportunities, and input from experts in the fields of finance, development, business, and industry, all of which participated in this strategy process.

Guiding Principles are defined as *representing a broad philosophy that guides the organization throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management filter for decisions at all levels of the organization.*

1. The City will maintain a proactive and sustained attitude towards redevelopment that is consistent with the vision for the Corridor.
2. The community's vision for the Corridor will be reflected in supporting policies and regulations.
3. Industrial and commercial land uses will be encouraged in appropriate locations so as to maintain the desired character of each segment of the Corridor.
4. Development standards will be appropriate for the expressed vision and catalyzing concepts within the various segments of the Corridor.
5. Property owners will be provided with knowledge and analyses (due diligence) resulting from this process in an effort to encourage desired investment.
6. Capital projects will be phased to encourage new investment, first, and improve conditions for existing uses, second.
7. Enhancements to public spaces will be consistent with the vision for an employment center environment and include new and replacement projects despite the age and condition of existing improvements.
8. Policy, vision and regulatory documents superseded by the objectives expressed in this SH 35 Corridor Redevelopment Strategy will be updated and in the interim variances afforded for select projects deemed consistent with the objectives stated there

Development Approach

Any approach by a public entity to encouraging investment in a defined geography should cultivate streamlining the delivery of both capital improvements, and either development-ready or unimproved sites, to the market. Further, it is predicated on the fact that *private investment follows public commitment*. To this end, the approach for redeveloping the SH 35 Corridor involves public participation in two arenas -- the Study Area as a whole and distinct projects with an opportunity to realize near-term investment. The projects may involve a single site or potential assemblage, and they may be site or area-specific, or have numerous applications. Presented in the discussion below are several components of an approach to improving the framework of the Corridor environment, followed by customized approaches (using the same components) for advancing the individual project concepts. This is followed by a description of barriers, or obstacles that could threaten efforts to improve the Corridor and attract investment, along with a series of actions to either eliminate or mitigate these challenges.

Corridor-Wide

Development Lead

Experience has shown that communities with a competitive advantage, minimize risk through a range of methods including: funding or installing shared infrastructure, guaranteeing swift permit reviews, and ensuring political and community support. If possible, they provide pre-entitled facility "shells" (designs) and flexible interpretation of existing regulations, guidelines and standards. Through this approach, they are better able to both capture a larger share of new investment, as well as expedite its timing.

Further, the approach here assumes PEDC, together with the City, will act as the master developer of improvements in the Study Area, and as such will lead the financing and contraction of off-site infrastructure and enhancements, as well as assist with select on- site improvements, particularly those completed in an effort to better position key parcels for investment and expedite building construction.

As the City's lead agency for industry attraction, PEDC will provide oversight and act as the lead on development requests, be the principal provider of "gap" financing (for meritorious projects), and use its resources to fund infrastructure and utility improvements; while the City will lead enforcement of regulations.

Capital Improvements

In addition to installation of infrastructure and utilities, connections to the region's trail system, enhanced landscaping, and roadway improvements; this Redevelopment Strategy also recommends that PEDC consider assisting with select on-site investments, in support of the catalyst concepts. Recognizing that the introduction of these

elements, while necessary, could command additional resources for their care and maintenance, this Strategy recommends that in a later phase of the Corridor's redevelopment, various funding mechanisms, including improvement districts, be considered.

Phasing Plan

Phasing improvements within a targeted geography serves to address a number of development challenges among them -- ensuring the availability of development-ready sites during active real estate cycles; and, managing the pace of development so that the ability to repay debt is maintained. Sustaining a long-term program of capital improvements in the Corridor will be imperative should the community elect to solicit either matching state or federal economic development dollars, or incremental tax dollars from participating entities. An on-going schedule of improvements will also more effectively leverage public resources, and increase the potential for sustained public and private support as progress will be visible.

Property Assemblage, Positioning and Disposition Strategy

Whereas most community-initiated redevelopment initiatives take several years to implement, property acquisition is an ongoing process among private, public, non-profit and combinations of these groups. In addition, the more activity there is in the market, the higher the asking prices, which can have the consequence of creating an even larger gap in a projects economic feasibility.

Therefore, as the entity with the largest and longest-term interest in the area, either the municipality or their agent (in this case PEDC), should consider early acquisitions a priority, particularly given the numerous advantages for the private sector when acquiring property from public and non-profit entities, among them -- lower carrying costs, less uncertainty regarding entitlements, and, the potential for monetary incentives. Further, the methods and terms of these agreements can be quite flexible. Properties can be either sold or leased, at or below market rate levels, and, trades and contributions can be considered (assuming no legal restrictions). In addition, community interests, long-term goals, and outstanding obligations have the potential to be addressed, and possibly funded in conjunction with new projects.

Decisions by the development entity (directly or indirectly) regarding these options should consider: the capital value of individual parcel sales compared to long-term leases, near- and long-term project objectives, policies and practices of the lead entity; and, desired level and timing of the public sector's return on investment.

Financial Resources and Incentives

Financing mechanisms used to fund improvements in the Corridor should include a range of resources, used individually and in different combinations. Possible sources include: grant and bond revenues, low or no interest loans, future district revenues, existing economic development program dollars, and if available, municipal

improvement funds. Additional sources could include: bank, state and federal matching funds, municipal resources, private fees and incremental tax dollars. Capital improvements, delivered by the public sector, that make an area attractive for development and stabilize the investment climate, should be considered an economic contribution with monetary value, whereas they have the potential to close a financial gap. Matching economic development incentives to direct investments in the physical environment, and indirect contributions to the fiscal concerns, are frequently the most successful approach.

Organizational Oversight

The organizational entity that assumes responsibility for the revitalization effort (PEDC) will be the one to: maintain development oversight; manage and market properties, either together with or on behalf of property owners; and, fund, finance and negotiate development agreements and leases among publicly-owned properties, and in public spaces. Additional support should be provided by representative governments, advocacy entities and regional economic development organizations.

Marketing and Promotion

A carefully designed and consistently administered marketing program should be an early actionable item. Individuals and organizations that support and promote investment, along with local officials and business associations, need to coordinate their marketing efforts. Ideally, the City and PEDC, will establish common goals and objectives, along with consistent policies, and whenever possible, share and leverage resources. When private interests request assistance with marketing their properties to developers or other users (either on their behalf or in partnership), various approaches should be considered including: issuing developer requests, retaining brokers, and attaching these parcels to other community-wide efforts to attract business and industry to the local market.

Regulations

The experience of many, if not most, communities that have advanced similar redevelopment initiatives has shown that while a higher standard of development must be established for the targeted area, they should be appropriate for the uses desired, and reflect intended outcomes. In addition, if during the early phases of the redevelopment project, these standards have a financial impact that renders a desirable project infeasible, the lead entity should consider providing resources to fill the economic gap. During later phases of the project, it is highly likely that market conditions will have reached a state of equilibrium wherein project revenues should be sufficient to cover project costs. Regardless of what entity prepares the development standards, they should be enforced by the City. While it may seem counter-productive to require heightened levels of improvements in an area where conditions are such that project and site development costs alone could render a project infeasible, they are essential as businesses

will require that their investment be protected, and these assurances can only be offered when there is consistency in the regulating process. Since "time is money," the systems by which standards and regulations are enforced need to be as efficient and cost-effective as possible. Pearland's current process appears to be both efficient and cost effective, and therefore should be promoted as an economic incentive for businesses and industries developing in the Corridor and community at-large.

Catalyst Projects (Concepts)

As explained in the previous section, catalyst projects are those with the potential to stimulate private investment, stabilize the business environment, prove-up market support for untested products, and establish desired levels of quality and character. What follows are a series of recommendations regarding an approach to advancing the catalyst project concepts identified for the SH 35 Corridor. As stated earlier, each approach (were relevant) involves similar elements to those presented above related to framework improvements in the Corridor.

Catalyst No. 1 - Northern Gateway and Corridor Improvements

Purpose

Offer a **business location for office and industrial users** seeking a high quality setting offering supportive infrastructure and amenities and access to points north and south of Pearland and Houston Metropolitan Area.

Development Strategy

PEDC and City complete the following priority capital projects in the *northern segment* of the Corridor -- gateway enhancements, wayfinding (signage), and softscapes where hardscapes currently exist *so that* individual parcels appear to be part of a **consistently designed and maintained environment**; natural "screens" adjacent to the right-of-way *so that* the **area's visual appearance is improved**; design pavers and enhanced landscaping at intersections and other significant nodes where private investment is eminent *so that* **public investment is leveraged;** and, connections to local and regional trail systems so that employees can arrive via **multiple forms of mobility.** In its *southern segment*, encourage **TxDOT** to **continue its roadway improvement program** completed in the northern portion during 2014. Following TxDOT, or in concert with them, **duplicate the improvements identified above** in this portion of the Corridor.

Phasing and Timing

Assuming that private investment follows public commitment, complete improvements within the following categories in the order presented or as dollars are available for specific project components --

Phase No. 1 - northern "gateway" and "screening" improvements

Phase No. 2 - intersection and corridor improvements in locations that most effectively leverage private investment

Phase No. 3 - aesthetics and amenities including trail connections, bike paths, signage, landscaping

Property Assemblage, Positioning and Disposition

Educate property owners in the Corridor about the vision for an improved physical environment and discuss options for *PEDC to* proactively **locate, install, and maintain enhanced landscaping and other public spaces** -- *if property owners are willing to* **dedicate** an easement to either PEDC or the City, **transfer ownership** and / or **accept a variance** where current easements exist -- where rights-of-way bifurcate multiple jurisdictions, solicit *public entity interest* in participating in a cooperative agreement and / or being part of an overlay district that solidifies anticipated improvement levels and their location.

Financial Resources and Incentives

Access the viability of existing and potential **resources** (capital reserves, economic development), including creation of a tax increment district; pursuit of **matching public and private dollars**; and, **support from** various **advocacy entities** to assist with **financing** and **supporting improvements**.

Catalyst No. 2 - Business Park North

Purpose

"Ready" or **position properties** (both private and public) **for investment** by completing **due diligence research** efforts on behalf of private sector property owners by identifying and **eliminating barriers** to investment, and **streamlining** the timeframe between **site acquisition** and / or completion of **vertical improvements.**

Development Strategy

Establish a policy whereby PEDC and the City **participate** with property owners / developers **in funding** the construction of **infrastructure improvements** in an effort to **position properties** for near-term investment, acknowledging that **eligible parcels will meet specified criteria** such as -- vacant for an extended period of time, presenting potential for job creation (primary), ability to advance key economic development goals, and others.

Phasing and Timing

The timing of improvements within private properties will be dictated by several factors (some outside PEDC's control), among them:

- interests and resources of private property owners
- resources of PEDC and other advocacy entities who may participate in funding improvements **(proactive efforts)**
- number and condition of available properties
- number of meritorious parcels (see criteria) who request assistance **(reactive efforts)**

  Proactive efforts - priority properties for targeted investment (either publicly- or privately-held) will have the **fewest obstacles** (barriers) to investment and be **in the most strategic locations** based on **meritorious measures** such as:

  - at or near an intersection
  - uninhibited access to the Corridor
  - visibility from either a primary or secondary roadway
  - adequate in size and shape to accommodate a marketable improvement

Reactive efforts - timing will be dictated by requests for assistance by property owners with strategically-located properties and a meritorious development concept

Property Assemblage, Positioning and Disposition

PEDC will consider the **acquisition** of private properties made available by existing owners in an effort to **entitle** (if necessary), **improve** and **position** (if deemed feasible), and **sell** (dispose of) to an individual or entity willing **to advance the vision and objectives** defined herein -- **priority properties** should include those within the identified catalyst areas and other locations where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

Use **existing resources** of PEDC and the City to complete capital improvements, including any **capital reserves** or **economic development funds.**

Catalyst No. 3 - 3a. Restaurant and Entertainment Destination, 3b. Main Street Urban Design

Purpose

Establish a **destination** for residents and visitors with **commercial venues** unique to the area and its "gritty character" and **compatible** with existing uses that correspondingly provide an environment to **incubate** local businesses and **grow dining and shopping offerings in the Old Townsite District.**

Development Strategy

Restaurant and Entertainment Destination

Solicit existing property owners regarding their interest in **"hosting"** the identified catalyst concept (open-air food court for food trucks or temporary structures for multiple vendors) to **test the market's interest** before building more permanent structures -- owners will have option to **lease or sell property**, **participate** in financing improvements, and **share** in financial return; if interested in leasing or selling property to a developer or operator, **PEDC** will **issue** a developer / operator **request** and **facilitate negotiations** -- if no viable responses are received, PEDC should consider property **acquisition**, **construction** of temporary improvements, **identification** of private operators, and **management** of the space.

Main Street Urban Design

Complement this new venue and existing uses with supportive pedestrian and streetscape improvements, and urban design elements that balance vehicular and non-vehicular movement and provide a "downtown" experience. Update policies and regulations to require new, retrofitted and altered buildings bring their building edge to the street and relocate onsite parking to the back of lots.

Phasing and Timing

Upon identification of a preferred developer or operator (including the existing owner or PEDC) -- complete the following actions in the order presented or as dollars are available for specific project components --

- **determine roles and responsibilities** of each relative to required onsite and offsite improvements and funding sources
- **obtain regulatory approvals** for temporary structures (food court zoning and / or commercial kitchen incubator designation) and food service sales (food truck ordinance)
- **identify necessary offsite improvements** including **pedestrian** and **streetscape enhancements** that connect this venue with other existing food and entertainment establishments including LA Crawfish and Killen's Barbeque
- amend the geographical extent of existing **Old Townsite District regulations**, build-to references and development thresholds that trigger compliance
- depending on investment and return expectations and terms of financing, consider a **multi-phase project** with
  - **temporary structures** completed during first phase
  - transitioning to **permanent structures** during phase two

Property Assemblage, Positioning and Disposition

If no interest is expressed by either existing property owners or potential developers, PEDC should consider acquiring and leasing or selling a viable site or sites to an operator or operators, and subsequently constructing or participating in the construction of vertical improvements (see Development Strategy).

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite, following selection of a final master developer for the project concept and depending on available resources (amount and type) and negotiated roles; treat and / or **classify the** open-air restaurant and entertainment **venue as an incubator** in order to qualify for regional, state and federal funds and other employment-related grant or low interest loan programs); **establish financial resources** (TIRZ, special district) to fund improvements and infrastructure, and fill economic "gaps" resulting from associated costs (land acquisition); and, request **support from** various **advocacy entities** to assist with **financing** and **supporting improvements**.

Catalyst No. 4 - 4a. Old Town Esplanade, 4b. New Community on former Alvin Community College Campus

Purpose

Introduce **pedestrian** and **streetscape improvements** which **solidify the Old Townsite District as a destination** for residents and visitors, **balancing** vehicular and non-vehicular movement, **connecting** existing and future centers of activity, and **catalyzing** property investment and reinvestment. Use the former Alvin Community College (ACC) campus as a host for a **demonstration housing project** featuring cottage homes, **internal gardens**, **venues for cultural events**, and potentially artists' work space.

Development Strategy

Old Townsite Esplanade

PEDC and the City invest in priority capital projects including a pedestrian esplanade that will serve as a destination unto itself while also connecting the restaurant and entertainment destination (see Catalyst No. 3) project to other improvements and existing neighborhoods in the District, along with existing destinations (Killens Barbeque) and future neighborhoods around its perimeter.

New Community

Investigate alternative approaches to improve or solicit developers to improve the ACC property as a multi-use neighborhood with a mix of residential product types currently untested in the market, potentially including live-work spaces, along with supportive commercial and community spaces.

Phasing and Timing

Approach the owners and / or representatives of the former Alvin Community College property regarding their interest in partnering to solicit the interest of potential master developers -- **PEDC will issue the request** (for qualifications) and **partner** with the district (optional) to **review** submittals , **select** the developer, and **negotiate** the sale; if the district is not interested in partnering to pursue a developer, PEDC consider acquiring the properties that comprise the campus, and solicit developer interest independently of the district.

Upon identification of a preferred developer or sale of the campus to PEDC -- complete the following actions in the order presented --

- **determine roles and responsibilities** of each relative to required onsite and offsite improvements and funding sources including environmental remediation
- **obtain regulatory approvals** for intended uses including -- higher density single family detached housing units, live-work units for artists, community center, and commercial spaces; as well as, building retrofits (existing theater and historically-significant buildings)
- **identify and complete necessary offsite improvements** including the **esplanade** and other improvements intended to accommodate **pedestrians** and **bicycles** and connect them to existing uses and activity centers and adjacent neighborhoods along East Jasmine Street and South Grand Boulevard and **on-site environmental remediation**
- **amend** the existing **Old Townsite District regulations** to allow for desired uses in a format consistent with select neo-traditional principles related to setbacks and site lines, and connections to open and public spaces
- depending on investment and return expectations, and terms of financing -- encourage **master development** of the properties by a single entity, and subsequent **sale of individual building pads** to multiple builders or developers who will dictate the number and timing of project phases

Property Assemblage, Positioning and Disposition

If ACC is not interested in partnering with PEDC to solicit developer interest consistent with the concept vision, PEDC consider acquiring the properties that comprise the campus, independently solicit developer interest, and complete the subsequent action steps described above.

Financial Resources and Incentives

PEDC participate in capitalizing select improvements, both onsite and offsite, PEDC participate with selected developers of catalyst projects in various ways and using different mechanisms, given: available resources (amount and type); desired outcomes; experience of development partner; and, consistency of development program with stated goals.

Use **existing** economic development **dollars** and / or future dollars dedicated to advancing these catalyst concepts; and

potential sources such as (incremental revenue (TIRZ), other special district funds, grants, low interest loans to fund improvements and infrastructure, and fill economic "gaps" resulting from associated costs (land acquisition); and, request **support from** various **advocacy entities** to assist with programming, particularly, public and art spaces (if any)

Catalyst No. 5 - Business Park South

Purpose

To compliment the high quality business environment in the northern segment of the Corridor, introduce appropriate improvements for business and industry seeking a highly amenitized environment with expansion opportunities and proximity to regional north-south transportation corridors, and points south in the Houston Metropolitan Area.

Development Strategy

(Similar to Catalyst No. 2 above) PEDC and the City **participate** with property owners **in funding,** or **proactively financing** and completing the construction of **infrastructure improvements** including those in drainage ways, and utility and infrastructure relocations, all in an effort to enhance their **marketability**, **expedite** the timing of private improvements, and ensure desired **quality** levels. As mentioned above, encourage TxDOT continue the next phase of roadway enhancements, completed in the northern segment in 2014.

Phasing and Timing

Phase capital improvements giving the highest priority to those that establish the southern segment of the Corridor as a cohesive employment center, mitigate negative impacts (visual and physical), and catalyze desired private investment; timing within private properties will be dictated by several factors (some outside PEDC's

control) including the resources of private property owners and PEDC and location and condition of available meritorious properties.

Property Assemblage, Positioning and Disposition

PEDC existing property owners in the Corridor about the vision for an improved physical environment and creation of a business park setting, and -- with willing owners, partner to secure entitlements, finance and construct infrastructure improvements, and market parcels to potential users; with unwilling owners, consider **acquisition** of available properties and complete the same actions, yet independent of the original owner; **priority properties** should include those where the intended investment program is inconsistent with and will compromise the vision.

Financial Resources and Incentives

Use **existing resources** of PEDC and the City to complete capital improvements, including any **capital reserves** or **economic development funds; and,** establish **new funding mechanisms** including creation of a tax increment district.

Actions

The national trend of stagnating and declining municipal corridors is evident not just in Pearland and the Houston Metro Area, but throughout the U.S. Facing increasing competition from locations in revitalizing city centers and downtowns, along with locations on the fringe of communities that are less expensive to develop and which present fewer constraints, properties in these locations are at risk of decay and a corresponding decline in value. A local example was the relocation of existing retailers, and preference of new retailers, for locations along SH 288 and high profile Pearland Parkway. In order to address this trend, Pearland and other municipalities facing similar circumstances, need to first acknowledge the challenges inherent in these types of geographies, and then develop context- appropriate regulations and incentives to overcome them.

As explained above, in addition to those elements of the strategy for redeveloping the SH 35 Corridor presented above, is this final component which includes a discussion of barriers to development, discovered within the Study Area, followed by a series of actions, or efforts, designed to eliminate these obstacles and attract desired investment. While the barriers that prevent or delay development in physically constrained environments such as the SH 35 Study Area can be numerous, and sometimes difficult to identify, they almost always fall into one of the following six categories - market, physical, financial, regulatory, political and organizational. For this reason, the discussion that follows is organized into these same groups or categories. Each one is first defined, and then followed by local examples. The reader will notice that some are site- or area- specific, while others have the potential to impact parcels throughout the Corridor. Correspondingly, the actions identified to mitigate their impact are both site- or area-specific, and non- specific. Site-specific actions include a reference to the location where a certain issue or constraint will be resolved.

Barriers

Market Barriers

Two of the most significant, yet least known challenges to community-led redevelopment initiatives are, a lack of market information and inaccurate market information (quantitative and qualitative). Heightened access to multiple sources of information, both online and in print, have left economic development professionals with both more informed, and misinformed, prospects. While most of the available data is accurate, some is not, and still other information published without appropriate context, can lead to misconceptions of a market's potential. An important first step in efforts such as this one is to discern fact from fiction. Misconceptions can be unforgiving and difficult to reverse, especially among developers who link this information to unfavorable policy decisions. Their perceptions, in particular, can lead to self-fulfilling prophecies about the potential of a community to become something else. With adoption of this SH 35 Corridor Redevelopment Strategy, it must be a "new day" in the minds of all advocates and stakeholders in the Study Area and community. PEDC and the City cannot wait for investors to discover development opportunities in the Study Area, nor leave them to interpret generic information that may, or may not, be accurate. Information generated during this planning process should be shared and used to develop marketing and promotional materials which tell the area's "investment story." Presented here is a representative list of market challenges or barriers, impacting investment decisions in the SH 35 Corridor.

M1. Proximity of incompatible land uses to parcels in the 35 Corridor, specifically encroachment of residential developments on industrial businesses resulting from approved property rezonings

M2. Fairly homogenous mix of uses and businesses in the Old Townsite District, and too few to serve as a “destination” or district that consumers residing outside of Pearland’s municipal boundaries would visit

M3. In addition to little deviation among residential products types approved for development in the local market (see R6. Below), few home builders with either experience or interest in offering these types of products in the Pearland market

M4. Significant number of vacant and under-utilized parcels that are too small to be improved according to existing regulations, most of which are located in the Old Townsite District, without being part of a larger assemblage that often requires a process that can be time-consuming and costly

M5. Business environment that lacks “market identity,” something generally reserved for regionally-recognized business and industrial parks with consistent infrastructure improvements,

and properties that are fairly consistently promoted and maintained

M6. Presence of automobile dealerships which pose an inefficient use of the land in the Corridor, and are inconsistent with the stated vision for a quality business and industrial park environment, and which

Physical Barriers

Physical improvements, public or private, roadway or building, are all signs that a community is moving forward and making progress. Since one of the primary obstacles to development in established areas is the conditions and capacity of its existing infrastructure, investment activity in these locations tends to lag behind those in other parts of the community. Inadequate infrastructure has its biggest impact on the economic feasibility of a project since it can be harder for elected officials to justify expenditures (even incentives) to repair or expand existing infrastructure, rather than build new infrastructure. Despite numerous fiscal analyses that have shown a higher public sector return on investment from participation in redevelopment than new development projects, as well as, a more significant impact on adjacent property values, few communities place promoting and completing projects in these locations at the top of their priority initiatives list.

The most established areas of communities usually include their downtown, and commercial and industrial corridors, all located in the interior of communities, rather than along their edges. Structures within their boundaries are also often among the community's older building stock, and generally designed with the automobile in mind. Given the highly prescribed format of most real estate products, redevelopment solutions within these areas often necessitate the collaborative input of multiple disciplines so that design solutions are comprehensive and relevant. Finally, designing improvements from the perspective of a single professional (architect, land planner, engineer) may not effectively reflect lifestyle preferences and needs that can represent untapped niches. Presented here is a representative list of physical challenges or barriers, impacting investment decisions in the SH 35 Corridor.

Physical

P1. Balancing the access challenges created by roadway medians (in the Corridor's northern segment), with the necessity for safety islands given the width of the highway

P2. Location of the Burlington Northern - Santa Fe (BNSF) Railroad tracks, and their proximity to parcels in the central segments of the Corridor in the vicinity of the Old Townsite District, and associated impacts such as noise, smell, and dust, collectively limiting the viability of certain uses and product types, especially those with outdoor seating spaces such as restaurants

P3. Numerous "remnant parcels" or those lacking sufficient utility, primarily within the Old Townsite District, which lack an adequate size and shape to be improved under existing regulations without being part of a larger land assemblage, most of which are located adjacent to the BNSF line and adjacent rail corridor easement

P4. Available inventory of parking facilities within the central segments of the Corridor, particularly in the vicinity of the Old Townsite District, that is currently limited and will continue to be stretched as properties continue to develop and redevelop

P5. Presence of infrastructure lines and related easements, particularly in the northern segment of the Corridor, which may require costly intervention such as their expansion, relocation, or vacation

P6. Few, if any, physical accommodations for non-vehicular movement (pedestrian or bicycle) and connections to or between properties, including inadequate shoulder widths (to support bicycle travel) in its northern segment where TxDOT recently completed the first phase of roadway enhancements in the Corridor

P7. Presence of overhead utility lines and associated easements which can provide a visual blight, and limit the total developable area of certain properties

P8. Private improvements that are visible from the roadway, (site and building) with significant levels of deferred maintenance, which collectively promote a negative perception of the Corridor, and correspondingly suppress property values

P9. Presence of the Hastings Oil and Gas Field located in the southern most segment of the Corridor, which maintains numerous active and inactive wells and collection lines that transport crude oil, natural gas and various petrochemical products and that by their presence limits the development capacity of some parcels

P10. Pipelines in other locations that traverse properties in the Corridor's southern segments in the vicinity of Dixie Farm Road, and northern segments near Clear Creek and McHard Road, which can also influence the type, location and level of development that occurs either onsite or adjacent to impacted parcels

P.11 While also potential amenities, on-site detention facilities, drainageways, and their tributaries; along with associated floodplains, such as Clear Creek located south of Beltway 8, Hickory Slough south of Clear Creek, and Mary's Creek south of the Old Townsite District; all of which bisect portions of the Corridor and, like oil and gas transport and collection lines, can limit the development capacity of some parcels, while also increasing the site improvement costs of others

P12. Presence of geologic faults throughout the Corridor (some identifiable on aerial photography and others through on-site investigations), that like pipelines and other natural and man-made features influence the location of buildings, as well as streets and utilities

Financial Barriers

A lack of money (public or private) is sometimes considered the only reason that investment or reinvestment does not occur within a community. While the availability of financial resources is a key component of every successful redevelopment initiative, is not the only component, nor the only obstacle.

Comprehensive and area-specific planning initiatives such as this one come at a time when demands on local government are high and resources limited. Regardless, they are essential for sustained growth. While the responsibility for facilitating new investment in a community, while also encouraging investment in its aging and underperforming assets, has historically been borne by the public sector; advancing the redevelopment initiatives identified herein will require the time and resources of a broad range of stakeholders. Development costs in infill, and particularly corridor settings, are often higher while early project revenues are frequently lower (despite the fact that select market sectors not only survive, but thrive in these environments.) Pearland is not alone in its efforts to improve one of its principal business corridors, and as such can learn from the experience of others.

One widely accepted belief is that the public sector must provide the broadest possible range of resources, both monetary and non-monetary, but that have an economic impact on a projects feasibility including, assistance with: site acquisition, building and facade improvements, start-up capital, facility relocations; and, capital improvements, both on- and off-site. Presented here is a representative list of financial challenges or barriers, impacting investment decisions in the SH 35 Corridor.

F1. Property owners with undeveloped and under-developed parcels (for sale or not for sale) who are only willing to sell for a price well above what the market can bear – note – it is not unusual for property owners to increase their asking price to what some consider to be speculative levels, during and in the months following a publicly-initiated redevelopment effort such as this one, many eventually bring them more in-line with prevailing conditions

F2. Limited resources available to assist business and development interests with improving properties constrained by conditions which are often too costly to either mitigate or eliminate

F3. Declining, yet high cost of financing private commercial and industrial developments following the regions and nations ongoing recovery from the Great Recession (2008 to 2012) – note – “cost of financing” is impacted by interest rate levels + preleasing requirements + other underwriting terms

F5. Negative perception of investment climate among potential developers and facility owners and / or operators

Regulatory Barriers

Experience in other communities has also shown that redevelopment of corridors and similar geographies within a community will best succeed if growth management programs reward efficient development patterns. When growth is allowed to occur in a land extensive, inefficient way that effectively subsidizes lower densities, redevelopment efforts operate at a competitive disadvantage. Given the pattern of development in the city over the last decade, SH 35, along with its other established corridors, will continue to be susceptible to fluctuations in the market, and their perceived contribution to the city's fiscal balance sheet.

Ideally, redevelopment plans and programs are administered by specialists who understand the unique challenges projects in these environments face, and supported by policy and regulating documents that reflect this awareness. It is also preferable that local leaders establish both new development and redevelopment priorities that can be advanced in parallel, rather than in competition with each other. Presented here is a representative list of regulatory challenges or barriers, impacting investment decisions in the SH 35 Corridor.

R1. Inability to construct gateway improvements for the 35 Corridor in a location with maximum visibility, particularly adjacent to the southern edge of Beltway 8, since Pearland's municipal boundary begins south of Clear Creek

R2. Variations in the location of building improvements, and specifically their facades, in the Old Townsite District, creating an inconsistent pattern of development and environment that is less conducive for pedestrian movement

R3. Few opportunities for shared parking among businesses because of the location of existing facilities and current use and product mix

R4. Local limitations on the sale of alcohol, especially in an open air venue similar to that envisioned in one of the catalyst concepts proposed in the Old Townsite District

R5. Existing regulations that do not allow for mobile food vendors such as those envisioned in the catalyst concept referenced above in R4 and proposed in the Old Townsite District

R6. Limited diversity in residential products that have been built in the local market during this most recent expansion, and a lack of understanding among community leaders regarding market support and positive impacts

R7. Presence of historically-significant (not designated at either the state or federal level) buildings on the former ACC campus in the Old Townsite District, that while potentially an amenity,

if required to be restored, could increase costs, and limit the location and type of certain uses

R8. Existing zoning in the Study Area that is inconsistent with the vision and objectives for a revitalized State Highway 35 Corridor as expressed herein (see specific recommendations in the **Appendix** regarding amendments to existing regulating resources)

R9. Existing regulations, including design standards that while essential for the success of this redevelopment strategy, do not always support the desired land use or product type (see specific recommendations in the **Appendix** regarding amendments to existing regulating resources)

R10. Presence of environmental contaminants within or impacting properties within the Corridor that prior to development or redevelopment, will require costing remediation

Political Barriers

As acknowledged above, the local government has the largest and longest-term interest and responsibility in a community's economic sustainability; therefore, the City of Pearland needs to have a visible presence and provide ongoing and sustained public support for projects which meet the community's economic development objectives. Together with PEDC, the City needs to provide leadership and participate in advancing economically-challenged, yet desirable projects, by any means possible. Not only do they have the legal responsibility to address many of the implementation components of a redevelopment plan, they are also the logical conduit to local, regional, state and federal funding sources. When used strategically, these funds and their other resources can be used to leverage a heightened amount of early investment, and also catalyze a sustained level of ongoing investment. Presented here is a representative list of political challenges or barriers, impacting investment decisions in the SH 35 Corridor.

Po. Limited understanding of the contribution improvements and businesses in the 35 Corridor make to the City's balance sheet, given the comparatively higher value of development that has occurred along State Highway 288 over the last decade

Po. Limited municipal resources to improve infrastructure and attract new businesses, particularly following the onset of the Great Recession in 2008 and recent adverse impacts to businesses in energy-related industries, thereby constraining public funds for only its highest priority projects which are often its highest value projects

Po. Much of Pearland's growth has occurred over the past few decades, making a significant amount of its infrastructure fairly new and limiting the City's experience with multi-phase redevelopment initiatives that require ongoing public support,

and rarely realize a return on their investment within theearly years of their inception (often beyond the term of many elected officials)

Organizational Barriers

Organizational barriers can present challenges to redevelopment when there are either too many, or too few, entities charged or assuming specific roles in the process. When there are multiple entities - appointed and created, funded and unfunded, with and without specific controls and powers - sharing concern for the same jurisdiction or geography, some efforts end up duplicated, while others go overlooked. In addition, there can be disagreements among the various groups with regard to how specific issues are addressed, and resources expended. Conversely, when there are too few entities who can serve as advocates for redevelopment initiatives and / or assist with the actions required to address the multiplicity of challenges; revitalization efforts can fail before they start. An organizational investigation is an important component of any redevelopment planning effort, and clarification of each entity's roles and responsibilities, a vital part of its approach. Every participant in the implementation process needs to understand the roles of the others, and their progress in advancing identified actions needs to be tracked and coordinated by a single entity. In this instance, PEDC as the lead for the SH 35 redevelopment initiative, will provide this type of coordination. Presented here are the organizational challenges or barriers, impacting investment decisions in the SH 35 Corridor.

O1. Increasing demand on limited facilities to accommodate the demands of a growing and diversifying resident base, for example buildings to host art and cultural programs, exhibits and presentations

O2. Limited number of professionals (economic development / redevelopment specialists) to complete the initiatives identified herein

Actions (to overcome these barriers)

1. Complete accommodations for pedestrian and bicycle trails along and within the SH 35 Corridor as identified in the Pearland Parks and Recreation Master Plan, adopted by the Pearland City Council in November 2015.
2. PEDC and City representatives, work with stakeholders in the Corridor to identify a preferred location for a future transit station in the event a commuter rail line is constructed connecting travelers along Interstate 45 and the larger Houston Metro Area.
3. Complete existing streets in the Old Townsite District with sidewalks appropriately sized to accommodate pedestrians and bicycle lanes where possible. Use available economic development resources to complete near-term improvements on priority streets including Jasmine and Grand Boulevard (see supporting action below) and City Capital Improvement Plan (CIP) dollars for longer-term improvements such as those described in this action, on secondary streets.

4. Develop and complete a wayfinding signage and improvement program in the Old Townsite District that supports physical connections between existing anchors including the recently completed Killen's Barbeque, and future catalyst projects proposed in this subarea and described herein.
5. Explore options for creating a pedestrian crossing in the vicinity of East Jasmine Street on SH 35 for the purpose of accommodating and encouraging east-west movement within the Old Townsite District, as well as connecting existing and future anchors and destinations in this subarea.
6. Amend the Pearland Beautification Strategy for its City Gateways, completed in 2014, to include a gateway treatment in the vicinity of Orange Street and the northern boundary of the Old Townsite District, such as a monument, sign, and / or other urban design feature. Use available economic development resources to complete and maintain these gateway improvements.
7. Update the market information generated as part of this effort on a regular basis and share it with individuals and organizations which use and disseminate this type of data (including real estate brokers, marketing groups, public entities, and others) in an effort to encourage a consistent understanding of existing conditions and investment opportunities.
8. Prepare designs and use available economic development resources to complete priority capital projects in the northern subarea of the Corridor that are described in greater detail in the Catalyst Investment Section of this report, including: roadway, landscaping, non-vehicular connections, and signage improvements that enhance the Corridor's physical environment and support a singular business environment. Amend the current City of Pearland Capital Improvement Plan to include similar improvements in the southern subarea.
9. Encourage and support demonstration projects throughout the Corridor, but particularly on the former Alvin Community College campus located in the central subarea and Old Townsite District. Demonstration projects should be considered those that incorporate a mix of uses and product types, especially those that may as yet be untested in the local market.
10. Explore establishing a façade improvement program and fund where local, state, and / or federal resources could be used to match private dollars (as either grants or low interest loans) to encourage the restoration and redevelopment of older commercial structures in the Old Townsite District.
11. Complete a regional detention feasibility study, previously proposed, for the benefit of properties located within the SH 35 Corridor and its zone of influence; and, encourage any future improvements to include enhanced open space and advance established water quality objectives.
12. Pursue financial resources to assist with financing the "clean up" of Brownfield sites in the Study Area. Among its more than 500 properties, only one, the Rice Drier parcel located on Rice Drier Road in the northern subarea of the Corridor south of McHard Road and north of Orange Street, is known to have verifiable environmentally hazardous contaminants on-site.

However, as reported in previous community plans, there are numerous other sites, based on data from Environmental Risk and Imaging Services that have potentially been impacted by past activities, including former service stations which used underground storage tanks. A specific area of concern, but for which there is no documentation to confirm or refute the presence of hazardous contaminants is the Hastings Oil and Gas Field that based on aerial photography maintains several oil pits.

13. Initiate an education process among property and business owners to share information and solicit interest in establishing a Tax Increment Reinvestment Zone (TIRZ) to supplement financing for public improvements including infrastructure, common spaces, parking and other eligible expenses.
14. Conduct a joint work session with the Pearland Planning and Zoning Commission and City Council so that they understand the strategy's objective to make improvements that serve industry and make the Corridor attractive for relocating and expanding businesses, primarily industrial. With this in mind, encourage a policy that limits rezoning any properties between Old Alvin and Mykawa Roads, located east and west of SH 35, respectively, for residential development of any density.
15. Commission a study of the existing parking infrastructure in the central subarea and particularly in the vicinity of the Old Townsite District and based on its findings, together with this plan's objectives and desired catalyst concepts, prepare a facilities and management strategy that addresses opportunities for shared and structured parking, targeted users, entities responsible for ongoing oversight and other solutions.
16. Improve East Jasmine Street between Main Street and North Grand Boulevard and Grand Boulevard between Jasmine Street and Walnut Street so that they operate more like multi-modal streets with improvements such as complete and wider sidewalks where possible, accommodations for bicycles, amenity zones between the roadway and sidewalks, on-street parking, and potential capacity improvements. Continually amend City capital plans to include those priority projects.
17. Refine the catalyst concept drawing for the former Alvin Community College Campus and incorporate it into a Request for Developers, issued on behalf of the College in partnership with PEDC and the City. Identify desired uses including a mixture of residential, commercial office, and cultural / community / education space; and, objectives such as connections from the project to other venues in the Old Townsite District, use of open and park spaces, architectural character, and appropriate consideration of limitations presented by potential deficiencies in the infrastructure (drainage) along with other possible challenges including the presence of environmental contaminants.
18. Explore the feasibility of initiating certain pre-development activities including: rezoning properties within the campus (see recommendations related to amendments to existing regulatory documents); establishing a General Development Plan for the area located east of Main Street, addressing appropriate street and circulation systems, street cross

sections, and, mix of uses; and, General Site Plan identifying the location of public and private open space, storm water detention and water quality solutions, and other infrastructure issues.

On-Going Involvement

Where many redevelopment initiatives fail is in discontinuing communication about the project with stakeholders who participated in the planning process, and the community at-large. Whereas implementation of the recommendations presented here will likely take several years to complete, it will require the ongoing support and sustained commitment of numerous individuals, boards and commission. Some of those groups that will need to be engaged beyond adoption of this Strategy include:

- **Elected Officials and City Leadership** – including the Mayor and City Manager, along with members of the Pearland City Council and its Planning and Zoning Commission; together with representatives from neighboring jurisdictions and the State (particularly when improvements occur within or adjacent to their boundaries or there are opportunities to share or leverage available resources)
- **Residents** – located adjacent to, or within proximity of the Corridor, so they remain aware of the City's policies related to encouraging compatibility among land uses, and the timing of planned improvements to public spaces including trail corridors
- **Development and Lender Communities** – particularly residential developers, so they remain aware of the City's policies related to encouraging compatibility among land uses, and the timing of planned improvements so they can leverage the location and timing of these investments
- **Business Community** – commercial and industrial business and property owners so they are aware of planned capital improvements so that they can share concerns about possible disruptions, and capitalize on enhancements in terms of their marketing efforts and facility investment plans
- **Special Interests** – including institutional interests such as representatives of school districts and churches in the Area, along with the Chamber of Commerce, Keep Pearland Beautiful, and other special service organizations, especially when there are opportunities for partnerships (programmatic, funding, building, other)

Conclusion

While PEDC and the City started with the SH 35 Corridor, in furtherance of their commitment to *optimizing the development potential of its principal commercial corridors a priority,* knowledge gained during the planning process can be used to inform efforts in other corridors or targeted investment areas. Whereas properties in

these types of environments, infill rather than fringe locations, share some of the same physical constraints, they can benefit from many of the same resources and remedies. A benefit of strategic planning initiatives, as opposed to purely land planning initiatives, is that while they provide solutions for obstacles, and identify resources for implementation. In addition, they provide insight into the private sector perspective, so that initiatives are meaningful.

Since either the public or private sector alone has sufficient resources to advance and sustain a multi-phase and multi-year, it is imperative that the resulting work products, address the interests of multiple audiences. Finally, since all individuals and entities with an investment interest in the Corridor will benefit from area improvements, they too will be held accountable and assigned certain responsibilities in terms of maintenance of their own and shared spaces. Success will depend on partnerships between and among multiple advocates and advocacy groups.

While redevelopment programs are widely understood to be undertakings that benefit not just the investment interests of owners in the Corridor, but also the community at-large, they should be considered both community development and economic development imperatives. As explained earlier, many corporate site seekers place equal value on facility costs, wage rates, and the availability of different facility types, as public commitments to all of its assets and areas. All too often communities focus their economic development efforts on industry growth and attraction, leaving limited resources for improving the climate for redevelopment.

The SH 35 Corridor, with its mix of both new and established businesses and industries, is a formidable economic engine, that's contribution to the community could be diminished without adequate attention and resources. The success of this effort will depend on the delivery of a high-quality, consistently operated and maintained business environment, devoid of obstacles, and supported by sustained public support. To this end, the SH 35 Corridor Redevelopment Strategy is intended to inform how the resources of both PEDC and the City are prioritized to ensure that its redevelopment is accomplished, while balancing private and community investment objectives.

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: 7/11/2016	**ITEM NO.: Ordinance 1518-4**
DATE SUBMITTED: 7/1/2016	**DEPARTMENT OF ORIGIN: Finance**
PREPARED BY: Tara Kilpatrick	**PRESENTOR: Tara Kilpatrick**
REVIEWED BY: Jon R. Branson	**REVIEW DATE: July 6, 2016**

SUBJECT: First Reading of Ordinance No. 1518-4, An Ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 1518-3, the 2015-2016 Annual Budget Ordinance, by; authorizing the City Manager or his designee to take all actions necessary to facilitate the changes identified herein; providing a savings clause, a severability clause, a repealer clause, and an effective date.

EXHIBITS: Ordinance No. 1518-4
Exhibit A – Fiscal Year 2016 Revised Budget

EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED: N/A**
AMOUNT AVAILABLE: N/A **PROJECT NO.: N/A**
ACCOUNT NO.: N/A

ADDITIONAL APPROPRIATION REQUIRED: N/A
ACCOUNT NO.: N/A
PROJECT NO.: N/A

To be completed by Department:
☒ **Finance** ☒ **Legal** ☒ **Ordinance** ☐ **Resolution**

EXECUTIVE SUMMARY

BACKGROUND

City staff is submitting for Council consideration and approval a revised budget for the 2015-2016 fiscal year based on fiscal year 2016 year-end projections. The revised budget is based on revenue and expenditure projections for the fiscal year completed as part of the fiscal year 2017 budget process. Adopting a revised budget more accurately reflects the City's financial position as well as preserves a fund balance for use in the preparation of the 2016-2017 operating budget. The revised budget also includes the capital improvement funds and includes budget amendments number one and two approved by City Council on December 14, 2015, Ordinance 1518-1, for the fiscal year 2015 carryovers in the net amount of $1,785,960 ($800,000 increase in revenues and $2,585,960 increase in expenses) and on March 28, 2016, Ordinance 1518-3 for Over Policy Funds in the net amount of $2,300,644 ($200,000 increase in revenues and $2,500,644 increase in expenditures). Please note that Ordinance 1518-2 was budget amendment #1 for PEDC.

Exhibit A, attached, compares the fiscal year 2016 budget adopted by City Council in September 2015 to the recommended revised budget for all funds, revenues and expenditures, in order to see the final change from the adopted budget.

As mentioned previously, in December 2015 and March 2016, Council approved amendments to the FY 2016 budget to include carryovers and the use of the General Fund's over-policy dollars to be spent. The information and explanations below are comparisons to the amended budget and not to the adopted budget as shown in Exhibit A.

FINANCIAL INFORMATION – Major Funds

General Fund

The *projected* ending fund balance for fiscal year 2016 totals $14,407,779, a net increase of $621,667, or 4.5%, over the amended budget fund balance of $13,786,112. The resulting amount shows the City exceeding its policy of a 2-month reserve of $11,199,984 by $3,207,795 which can best be used for additional savings and/or non-recurring expenditures in the subsequent 2017 fiscal year.

	FY2014/15 as of 9/30/15 Actuals	Original FY 2015/16 Adopted Budget	Budget Amendment #1 Ordinance 1518-1	Budget Amendment #2 Ordinance 1518-3	End of Year FY 2015/2016 Projections
Beginning Fund Balance	$19,454,501	$15,559,633	$21,354,237	$21,354,237	$21,354,237
Revenues	$65,939,951	$69,791,421	$70,591,421	$70,791,421	$71,273,386
Expenditures	$64,040,215	$73,272,942	$75,858,902	$78,359,546	$78,219,844
Net	$1,899,736	-$3,481,521	-$5,267,481	-$7,568,125	-$6,946,458
Ending Fund Balance	$21,354,237	$12,078,112	$16,086,756	$13,786,112	$14,407,779

Inclusive of carryovers and over-policy funds already recognized in December 2015 and March 2016, projections for General Fund revenues total $71,273,386, an increase of $481,965, or 0.7% over the amended budget. Increases in projected revenues over the amended budget include; Property Taxes at $102,476 or 0.7%; Licenses & Permits at $945,806 or 23.8%; Other Financing Sources at $100,000 or 5.9%; and the biggest increase is in Intergovernmental revenue due to the TxDOT reimbursement for Cullen and Dixie Farm Road entryway beautification; the larger amount of TxDOT support had not been anticipated.

Decreases in revenues are anticipated as well. Sales Tax is projected to be 4% or $812,773 below budget. Sales tax revenue for FY 2015/16 is still higher than the prior year's actuals, but not at the 8% increase that had been budgeted. We also anticipate a decrease of $233,004 or 3.3% in Franchise Fees; $19,500 or 0.7% for Fines and Forfeitures; $463,120 or 2.9% in Charges for Services; and $274,769 or 8% in Transfers In. The decrease in Transfers In is attributable to the Grant Fund and CDBG Fund. In the past, the City would conduct a transfer from the Grant and CDBG Funds to the General Fund to reimburse the General Fund for those salaries that were reimbursable via grant funds. However, the City's auditors requested that the expenses be directly charged to the Grant and CDBG Funds. Therefore, a decrease of $274,769 is shown in the Transfers In line item.

	FY2014/15 as of 9/30/15 Actuals	Amended FY 2015/16 Budget	Projected FY 2015/16 Budget
Property Taxes	$13,261,422	$14,190,297	$14,292,773
Sales and Use Taxes	$19,073,941	$20,594,329	$19,746,556
Franchise Fees	$6,663,788	$7,003,454	$6,770,450
Licenses and Permits	$4,550,094	$3,967,489	$4,913,295
Fines and Forfeitures	$2,968,634	$2,919,450	$2,899,950
Charges for Services	$14,238,556	$16,032,997	$15,569,877
Miscellaneous	1033770.92	$942,014	$2,113,863
Transfers In	$3,575,692	$3,441,391	$3,166,622
Other Financing Sources	$574,049	$1,700,000	$1,800,000
Total Revenues	$65,939,946	$70,791,421	$71,273,386

	Increase From FY 2015/16 Amended Budget to Projected FY 2015/16	Percentage Increase From FY 2015/16 Amended Budget to Projected FY 2015/16	Increase From FY 2014/15 Actuals to Projected FY 2015/16	Percentage Increase From FY 2014/15 Actuals to Projected FY 2015/16
Property Taxes	$102,476	0.7%	$1,031,351	7.8%
Sales and Use Taxes	-$847,773	-4.1%	$672,615	3.5%
Franchise Fees	-$233,004	-3.3%	$106,662	1.6%
Licenses and Permits	$945,806	23.8%	$363,201	8.0%
Fines and Forfeitures	-$19,500	-0.7%	-$68,684	-2.3%
Charges for Services	-$463,120	-2.9%	$1,331,321	9.4%
Miscellaneous	$1,171,849	124.4%	$1,080,092	104.5%
Transfers In	-$274,769	-8.0%	-$409,070	-11.4%
Other Financing Sources	$100,000	5.9%	$1,225,951	213.6%
Total Revenues	$481,965	0.7%	$5,333,440	8.1%

Projected expenditures total $78,219,844, a decrease of $139,702 or 0.2% under the amended budget. The last General Fund Budget amendment herein for FY 2016 are in line with the amended budget for each department.

There are increases in expenditures for General Government and Community Service, but these increases are offset by decreases in Public Safety, Public Works and Parks & Recreation.

General Fund Expenditures by Category	FY2014/15 Actual	Amended FY 2015/16 Budget	Projected FY 2015/16	Difference FY 2015/16 Projected to FY 2015 Actual	
General Government	$10,161,186	$13,874,732	$14,544,936	$4,383,750	43%
Public Safety	$33,692,252	$40,539,271	$40,099,528	$6,407,276	19%
Public Works	$10,592,610	$13,157,802	$12,976,333	$2,383,723	23%
Community Services	$3,887,246	$3,869,019	$3,887,122	-$124	0%
Parks & Recreation	$5,706,922	$6,918,722	$6,711,925	$1,005,003	18%
Total	$64,040,215	$78,359,546	$78,219,844	$14,179,629	22%

For changes between Projected FY 2015/16 to prior year FY 2015 Actuals, the 43% increase from FY2015 actuals to FY16 projected actuals for General Government is mainly attributable to carryovers in the amount of $1,663,574 (included in Ordinance 1518-1), $421,840 in over policy dollars (Ordinance 1518-3), an increase in Transfers Out of $1.2 million for the Linwood project (TxDOT reimbursement funds) and increases in departments such as Human Resources (city-wide training, compensation study), Finance (consulting services to fill Finance Director position), Other Requirements ($200,000 payment to KPB for renovations at the Recycling Center) and IT ($307,000 for software license payments that are moving from individual departments to the IT department).

For the changes between final projected FY 2015/16 and the last amended budget, there is a 4.8% increase for General Government and a small 0.5% increase in Community Services. The increase in General Government is an increase in Transfers Out for the Linwood Project. Public Safety has a 1.1% decrease from last amended budget while Public Works has a 1.4% decrease and Parks & Recreation has a 3% decrease between the last budget amendment and the FY16 projections. The decrease in Parks & Recreation consists of a decrease in computer software line item as this has been moved to the IT budget and a reduction from the amended budget due to utility costs that are no longer paid by this department.

For year-end, a drawdown of fund balance is projected in the amount of $6,946,458. The fiscal year 2016 adopted budget showed expenditures to be over revenues in the amount of $3,481,521 and the amended budget, including budget amendments 1 and 2, showed a drawdown of $7,568,125. Year-end projections reduce that drawdown by $621,667 from the amended budget for a projected end of year ending fund balance of $14,407,779. The structural balance of the General Fund between operating revenues and ongoing needs for services and investment expenditures continues to be a topic for the City's General Fund budget as we grow and expand services.

Water/Sewer Fund

The water/sewer fund is projected to end fiscal year 2016 with revenues above the amended budget by $34,232. The largest percentage increase in enterprise revenues is Interest Income at 17.6% while the biggest percentage decrease in revenues is Other Miscellaneous Income at 24.5%.

	FY2014/15 as of 9/30/15 Actuals	Amended FY 2015/16 Budget	Projected FY 2015/16 Budget
Sale of Water	$15,581,945	$17,846,715	$18,500,000
Sewer Revenues	$12,862,796	$16,181,749	$15,600,000
Other Service Charges	$1,756,051	$1,617,554	$1,618,750
Interest Income	$232,170	$105,000	$123,500
Other Miscellaneous Income	$219,422	$232,557	$175,557
Transfers In	$2,568,222	$2,582,700	$2,582,700
Capital Lease Proceeds	$0	$423,293	$423,293
Total Revenues	$33,220,605	$38,989,568	$39,023,800

	Increase From FY 2015/16 Amended Budget to Projected FY 2015/16	Percentage Increase From FY 2015/16 Amended Budget to Projected FY 2015/16	Increase From FY 2014/15 Actuals to Projected FY 2015/16	Percentage Increase From FY 2014/15 Actuals to Projected FY 2015/16
Sale of Water	$653,285	3.7%	$2,918,055	18.7%
Sewer Revenues	-$581,749	-3.6%	$2,737,204	21.3%
Other Service Charges	$1,196	0.1%	-$137,301	-7.8%
Interest Income	$18,500	17.6%	-$108,670	-46.8%
Other Miscellaneous Income	-$57,000	-24.5%	-$43,865	-20.0%
Transfers In	$0	0.0%	$14,478	0.6%
Capital Lease Proceeds	$0	0.0%	$423,293	
Total Revenues	$34,232	0.1%	$5,803,195	17.5%

Projected expenses of $40,391,951 are $647,328 or 1.6% above the amended budget. Wastewater Treatment is projected to be $1,243,642 or 27.1% above the amended budget while Water Production is projected to be above the amended budget by 22% or $1,834,834 due to increases in water purchases. Lift Stations and Distribution & Collection are also both projected to be above the amended budget. Utility Billing & Collections, Construction, water Meter Services and ROW Mowing are projected to be below the amended budget. Other Requirements are $2.7 million below the amended budget due to an anticipated bond payment that was budgeted to be paid in FY2016. The sale of the bond has not happened and therefore a payment will not be necessary in fiscal year 2016.

	FY2014/15 as of 9/30/15 Actuals	Amended FY 2015/16 Budget	Projected FY 2015/16 Budget
Administration	$640,717	$591,636	$614,636
Lift Stations	$987,956	$1,668,807	$1,975,104
Wastewater Treatment	$4,842,682	$4,582,854	$5,826,496
Water Production	$7,496,149	$8,334,879	$10,169,713
Distribution & Collection	$1,799,878	$2,420,276	$2,595,181
Construction	$559,835	$899,465	$827,452
General Gov't - IT & GIS	$119,676	$203,042	$226,264
Water Meter Services	$1,240,439	$1,587,264	$1,524,287
ROW Mowing	$416,856	$436,171	$431,033
Utility Billing Customer Service	$961,043	$1,202,794	$1,140,963
Other Requirements	$14,192,460	$17,817,435	$15,060,822
Total Expenses	$33,257,691	$39,744,623	$40,391,951

	Increase From FY 2015/16 Amended Budget to Projected FY 2015/16	Percentage Increase From FY 2015/16 Amended Budget to Projected FY 2015/16	Increase From FY 2014/15 Actuals to Projected FY 2015/16	Percentage Increase From FY 2014/15 Actuals to Projected FY 2015/16
Administration	$23,000	3.9%	-$26,081	-4.1%
Lift Stations	$306,297	18.4%	$987,148	99.9%
Wastewater Treatment	$1,243,642	27.1%	$983,814	20.3%
Water Production	$1,834,834	22.0%	$2,673,564	35.7%
Distribution & Collection	$174,905	7.2%	$795,303	44.2%
Construction	-$72,013	-8.0%	$267,617	47.8%
General Gov't - IT & GIS	$23,222	11.4%	$106,588	89.1%
Water Meter Services	-$62,977	-4.0%	$283,848	22.9%
ROW Mowing	-$5,138	-1.2%	$14,177	3.4%
Utility Billing Customer Service	-$61,831	-5.1%	$179,920	18.7%
Other Requirements	-$2,756,613	-15.5%	$868,362	6.1%
Total Expenses	$647,328	1.6%	$7,134,260	21.5%

The water/sewer fund is projected to finish fiscal year 2016 with a $1,368,151 drawdown. However, the fund continues to meet the cash reserve policy and its bond coverage.

Other Funds

The City's budget also includes other funds, such as the Debt Service Fund, Hotel/Motel Occupancy Tax Fund/Convention & Visitors' Bureau, Community Development Block Grant Fund, and other Grants Funds, Police State Seizure Fund, Parks Development Fund, Solid Waste Fund, and the Pearland Economic Development Fund. The changes for these funds are included in Exhibit A.

RECOMMENDED ACTION

Consideration and Approval of First Reading of Ordinance 1518-4, An Ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 1518-3, the 2015-2016 Annual Budget Ordinance, by; authorizing the City Manager or his designee to take all actions necessary to facilitate the changes identified herein; providing a savings clause, a severability clause, a repealer clause, and an effective date.

City of Pearland

Fiscal Year 2016 GF Expenditure Changes to Adopted Budget Via Budget Amendments by Department

For Informational Purposes Department	July 6, 2016 Adopted Budget	Budget Amendment #1 1518-1	Budget Amendment #2 1518-3	Amended Budget Including Transfers To/From Other Requirements	Budget Amendment #3 1518-4	Difference Budget Amendment #3 to Prior Amended	
General Government:							
City Council	110,418			110,418	100,346	-10,072	-9%
City Manager	792,964	21,625		821,884	847,911	26,027	3%
Human Resoures	890,482	40,338	75,000	1,036,206	1,106,334	70,128	7%
City Secretary	362,797			397,241	396,373	-868	0%
Legal	741,751			754,673	754,865	192	0%
Information Systems	2,936,712	1,569,641	346,840	4,984,042	4,610,218	-373,824	-8%
GIS	233,655	9,850		246,480	219,989	-26,491	-11%
Finance	2,188,539			2,224,926	2,285,801	60,875	3%
Other Requirements	2,758,636	22,120		1,944,094	1,668,331	-275,763	-14%
Library	414,619			414,619	369,588	-45,031	-11%
Total General Government	**11,430,573**	**1,663,574**	**421,840**	**12,934,583**	**12,359,756**	**-574,827**	**-4%**
Public Safety:							
Police	24,995,985	244,640	392,694	26,022,018	25,734,948	-287,070	-1%
Fire	13,635,974	148,000	572,394	14,517,253	14,364,580	-152,673	-1%
Total Public Safety	**38,631,959**	**392,640**	**965,088**	**40,539,271**	**40,099,528**	**-439,743**	**-1%**
Community Services:							
Community Development	2,095,620		50,000	2,230,755	2,321,259	90,504	4%
Communicaitons	470,466			475,376	474,651	-725	0%
Municipal Court	737,917			748,269	721,624	-26,645	-4%
Total Community Services	**3,304,003**	**0**	**50,000**	**3,454,400**	**3,517,534**	**63,134**	**2%**

City of Pearland

Fiscal Year 2016 GF Expenditure Changes to Adopted Budget Via Budget Amendments by Department

For Informational Purposes Department	July 6, 2016 Adopted Budget	Budget Amendment #1 1518-1	Budget Amendment #2 1518-3	Amended Budget Including Transfers To/From Other Requirements	Budget Amendment #3 1518-4	Difference Budget Amendment #3 to Prior Amended	
Public Works:							
Public Works	9,732,359	299,200	813,766	10,622,729	10,513,627	-109,102	-1%
Engineering & Capital Projects	2,074,529	59,112	249,950	2,535,073	2,462,706	-72,367	-3%
Total Public Works	**11,806,888**	**358,312**	**1,063,716**	**13,157,802**	**12,976,333**	**-181,469**	**-1%**
Parks & Recreation:							
Parks & Recreation	6,744,751	171,435		6,918,722	6,711,925	-206,797	-3%
Total Parks & Recreation	**6,744,751**	**171,435**	**0**	**6,918,722**	**6,711,925**	**-206,797**	**-3%**
Total Transfers Out	**1,354,768**	**0**	**0**	**1,354,768**	2,554,768	**1,200,000**	**89%**
Total General Fund	***$ 73,272,942***	***$ 2,585,960***	***$ 2,500,644***	***$ 78,359,546***	***$ 78,219,844***	**$(139,702)**	**0%**

ORDINANCE NO.1518-4

An Ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 1518-3, the 2015-2016 Annual Budget Ordinance, by; authorizing the City Manager or his designee to take all actions necessary to facilitate the changes identified herein; providing a savings clause, a severability clause, a repealer clause, and an effective date.

WHEREAS, the City Council is authorized by law to make changes in the City budget for municipal purposes and for emergency appropriations to meet a pressing need for public expenditure to protect the public health, safety, and welfare as a result of unusual and unforeseen conditions; and now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City Manager or his designee is authorized to make appropriation from various Funds identified on Exhibit "A" as authorized by law for municipal purposes.

Section 2. That the City Manager or his designee is authorized to take all actions necessary to facilitate the changes identified herein without further approval of City Council.

Section 3. Savings. All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.

Section 4. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 5. Repealer. All ordinances and parts of ordinances in conflict herewith are hereby repealed, but only to the extent of such conflict.

ORDINANCE NO. 1518-4

Section 6. Effective Date. This Ordinance shall become effective immediately upon its passage and approval by the City Council.

PASSED and APPROVED ON FIRST READING this the _____ day of _____, A. D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING,TRMC
CITY SECRETARY

PASSED and APPROVED ON SECOND AND FINAL READING this the _____ day of _____, A. D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

ORDINANCE NO. 1518-4

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

EXHIBIT A

City of Pearland

Fiscal Year 2016 Changes to Adopted Budget Via Budget Amendments

Fund	Fund Description	REVENUES Adopted Budget	Budget Amendment #1 1518-1	Budget Amendment #2 1518-3	Budget Amendment #3 1518-4	EXPENSES Adopted Budget	Budget Amendment #1 1518-1	Budget Amendment #2 1518-3	Budget Amendment #3 1518-4
010	General	69,791,421	70,591,421	70,791,421	71,273,386	73,272,942	75,858,902	78,359,546	78,219,844
020	Debt Service - General	31,687,635			62,389,075	31,528,207			61,012,241
	Special Revenue Funds								
017	Municipal Court Security	52,920			53,062	114,350			105,807
018	Citywide Donation	20,350			22,360	50,477	56,477		48,438
019	Court Technology	60,020			60,513	69,865	76,740		76,394
023	Court Juvenile Management	37,060			17,638	44,435			46,992
033	Street Assessment	0			515,914	0			515,914
035	Traffic impact Improvement	3,000			5,700	46,800			188,348
043	Regional Detention	0			171,513	0			171,513
045	Hotel/Motel	1,535,233			1,527,233	927,604	988,940		982,608
046	Parks Donations	101,050			101,100	105,636			106,000
047	Park & Recreation Development	103,000			104,482	231,000	296,282		247,986
049	Tree Trust	8			8	0			0
055	Sidewalk	5,034			18	0			0
060	Police State Seizure	200			48,689	36,320			35,000
062	Federal Police	55			100	68,000			68,000
101	Grants	177,834	1,254,889		951,434	177,834	1,270,144		1,010,624
110-113	Community Development Grant Fund	319,085			732,790	319,085			732,790
140	University of Houston	319,260			319,260	319,260	364,201		336,401
141	University of Houston Capital Renewal Fund	55,489			53,723	0			0
145	Municipal Channel	314,700			307,800	214,350			213,575
199	Lower Kirby	2,764,300			1,799,445	2,764,300			1,799,445
	Internal Service Fund								
095	Property/Liability Insurance	1,315,507			1,315,517	1,311,977	1,315,182		1,187,105
099	Medical Self-Insurance	8,068,084			7,483,785	7,871,876			6,020,466
	Proprietary Funds								
030	Water and Sewer	38,566,275	38,989,568		39,023,800	38,422,759	39,744,623		40,391,951
031	Solid Waste	6,830,997			6,736,098	6,831,464	6,891,464		6,833,455
	Capital Project Funds								
42	Utility Impact Fee	63,403,451			69,679,555	53,259,102			53,581,350
44	Shadow Creek Rand Impact Fee	890,270			1,065,000	670,416			670,416
50	Capital Projects	8,532,635		9,732,635	10,423,430	9,739,912		10,939,912	11,858,771
64	Certificates of Obligation 1998	0			500	367,268			340,194
67	Water & Sewer Revenue Bond Funds	2,032,692			2,365,420	6,876,088			7,046,212
68	Capital Projects - CO 2001	19,100,070			20,685,830	22,595,956			18,285,297
70	Mobility Bonds	0			6	6,842			6,842
200	Certificates of Obligation 2006	0			540	570,869			90,023
202	General Obligation Series 2007A	400,000			401,445	75,607			75,607
203	Gen. Obligation Series 2009, 2010, 2011, 2014	74,416,237			56,996,059	89,311,599			71,298,666
301	Water/Sewer Pay As You Go CIP	1,095,144		12	1,094,644	2,340,881			2,310,832
302	MUD 4 Capital Program	1,000			870	867,021			867,021

City of Pearland

Fiscal Year 2016 Changes to Adopted Budget Via Budget Amendments

		REVENUES			EXPENSES		
Fund		Adopted Budget	Budget Amendment #1 1518-2	Budget Amendment #2 1518-4	Adopted Budget	Budget Amendment #1 1518-2	Budget Amendment #2 1518-4
	Component Units						
15	PEDC	12,315,949		14,608,120	12,192,688	17,339,624	14,222,617

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	June 27, 2016	**ITEM NO.:**	R2016-121
DATE SUBMITTED:	June 07, 2016	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	John Hines	**PRESENTOR:**	Eric Wilson
REVIEWED BY:	Trent Epperson	**REVIEW DATE:**	July 5, 2016

SUBJECT: Resolution No. R2016-121 A resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for small water meters and related parts with HD Supply Waterworks in the estimated amount of $605,279.28 for the period of June 27, 2016 through June 26, 2017.

EXHIBITS: Resolution No. R2016-121
Bid Tabulation

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☐ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $605,279.28 (annualized estimate)
AMOUNT BUDGETED: $840,000 **AMOUNT AVAILABLE:** $840,000
PROJECT NO.:
ACCOUNT NO.: 030-4055-542-58-01; 030-4055-542-58-02; 030-4055-542-58-03

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.: **PROJECT NO.:**

To be completed by Department:
x Finance **x Legal** **Ordinance** **x Resolution**

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to Resolution #R2013-100, City Council approved a bid award to HD Supply and Park USA in June, 2013 for the supply of water meters and related parts. The materials included in the bid are Neptune water meters equipped with R-900I RF transmitters, as the City must have meters compatible with the existing remote-reading equipment. This contract will be utilized to supply meters for new installations by builders and for replacements of existing meters and related parts

which are beyond their useful life. The meters are predominantly a cost-neutral commodity for the City, as the City's meter cost is recouped at the point of resale to a builder or developer.

The bid is divided into sections for small meter (up to 2"), large meter (3" and larger), registers for small and large meters and meter boxes/lids. Specifications allowed for the bid to be awarded together or separately, dependent upon the combination deemed most advantageous to the City.

SCOPE OF CONTRACT

One-year renewal agreement for the purchase of water meters and related parts as needed by the City's Public Works Department and Utility Billing from June 27, 2016 to June 26, 2017.

BID AND AWARD

HD Supply and Park Environmental Equipment USA are the only Neptune-authorized distributors in the Houston market, and both responded with bids to the City's solicitation. HD Supply was the lone respondent on small meters, small and large registers, and meter boxes/lids, and was recommended for award for those sections. Park Environmental Equipment USA was the low bidder on the large meters and was the recommended vendor. As such, the remaining items in the bid are recommended to be awarded to HD Supply as reflected in the attached bid tabulation.

Bid specifications required firm unit costs for a period of one (1) year, with allowance for four (4) additional one (1) year renewal options available upon the mutual agreement of both parties, and the approval of City Council. Specifications allow an awarded contractor, at the time of any renewal, an opportunity to request a price increase percentage not to exceed the rate of increase in the "All Items" category of the Consumer Price Index (CPI), Houston-Galveston-Brazoria region, during the prior 12 month period. Both HD Supply and Park Environmental Equipment USA have agreed to renew their portions of the contract for an additional year at no price increase.

SCHEDULE

Supply of water meters and related parts will occur as needed throughout the term of the renewal period of one year. The City is anticipating a transition from the current meter-reading technology to advanced metering infrastructure (AMI) technology, which would facilitate the transmission of real-time meter data to the City Utility Billing division. A team of senior Public Works and Utility Billing management are currently working with Purchasing Staff in development of an appropriate request for proposal (RFP) specification for the selection and procurement of an optimal system for the City's needs, which is anticipated to be released for competitive solicitation in the next 60-90 days.

The meter supply contract under consideration herein for Council approval contains a termination for convenience provision with 30 day notice, which would accommodate a subsequent transition to AMI as described above.

POLICY/GOAL CONSIDERATION

Purchase of these water meters and related parts are needed to supply meters for new installations by builders and for replacements of existing meters, registers and meter boxes/lids which are beyond their useful life, pursuant to our water meter replacement program.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE

Funding for these items come from the Water and Sewer Operation account.

RECOMMENDED ACTION

City Council consideration and approval of Resolution No. R2016-121 renewing a unit supply bid for small water meters and related parts with HD Supply Waterworks in the estimated amount of $605,279.28 for the period of June 27, 2016 through June 26, 2017.

RESOLUTION NO. R2016-121

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for small water meters and related parts with HD Supply Waterworks in the estimated amount of $605,279.28 for the period of June 27, 2016 through June 26, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. The City previously opened bids for the supply of water meters and related parts.

Section 2. That the City Council hereby renews the bid with HD Supply Waterworks, in the unit price amounts reflected in Exhibit "A" attached hereto.

Section 3. The City Manager or his designee is hereby authorized to execute a supply contract for water meters and related parts.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Water Meter & Related Parts Supply Contract

					HD Supply Waterworks		Park Env Eq USA	
Description	Mfgr	MfgNo	UOM	Est. Qty	Unit	Extended	Unit	Extended
SMALL METERS	NEPTUNE	R900I	Sect	1	**$503,119.28**	**$503,119.28**	**$0.00**	**$0.00**
5/8" DISPLACEMENT METER	NEPTUNE	R900I	EA	1620	**$207.14**		**No Bid**	
1" DISPLACEMENT METER	NEPTUNE	R900I	EA	75	**$264.71**		**No Bid**	
2" DISPLACEMENT METER	NEPTUNE	R900I	EA	1	**$569.41**		**No Bid**	
2" COMPOUND METER	NEPTUNE	R900I	EA	100	**$1,464.71**		**No Bid**	
2" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$658.82**		**No Bid**	
LARGE METERS	NEPTUNE	R900I	Sect	1	**$248,200.00**	**$248,200.00**	**$179,240.00**	**$179,240.00**
3" COMPOUND METER	NEPTUNE	R900I	EA	1	**$9,000.00**		**$7,995.00**	
4" COMPOUND METER	NEPTUNE	R900I	EA	1	**$9,700.00**		**$9,350.00**	
6" COMPOUND METER	NEPTUNE	R900I	EA	1	**$15,000.00**		**$12,525.00**	
8" COMPOUND METER	NEPTUNE	R900I	EA	1	**$16,800.00**		**$13,650.00**	
10" COMPOUND METER	NEPTUNE	R900I	EA	1	**$39,000.00**		**$26,650.00**	
12" COMPOUND METER	NEPTUNE	R900I	EA	1	**$41,000.00**		**$27,750.00**	
3" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$8,700.00**		**$6,325.00**	
4" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$8,500.00**		**$7,450.00**	
6" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$13,000.00**		**$10,650.00**	
8" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$16,500.00**		**$12,995.00**	
10" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$31,000.00**		**$17,650.00**	
12" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$40,000.00**		**$26,250.00**	
REGISTERS FOR SMALL METERS	NEPTUNE	R900I	Sect	1	**$95,710.00**	**$95,710.00**	**$0.00**	**$0.00**
5/8" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	500	**$170.00**		**No Bid**	
1" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	20	**$170.00**		**No Bid**	
2" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	1	**$170.00**		**No Bid**	
2" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	40	**$170.00**		**No Bid**	
2" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
2" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	**$170.00**		**No Bid**	
REGISTERS FOR LARGE METERS	NEPTUNE	R900I	Sect	1	**$3,060.00**	**$3,060.00**	**$0.00**	**$0.00**
3" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
3" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
4" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
4" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
6" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
6" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
8" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
8" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
10" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
10" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	

					HD Supply Waterworks		Park Env Eq USA	
12" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	$170.00		No Bid	
12" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	$170.00		No Bid	
3" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
4" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
6" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
8" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
10" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
12" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
METER BOXES/LIDS	NEPTUNE		Sect	1	$3,390.00	$3,390.00		$0.00
1" DUAL METER BOX			EA	50	$16.60		No Bid	
1" DUAL METER BOX LID			EA	50	$6.00		No Bid	
2" DUAL METER BOX			EA	100	$16.60		No Bid	
2" DUAL METER BOX LID			EA	100	$6.00		No Bid	

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	June 27, 2016	**ITEM NO.:**	R2016-112
DATE SUBMITTED:	June 07, 2016	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	John Hines	**PRESENTOR:**	Eric Wilson
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: **Resolution No. R2016-112** A resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for large water meters and related parts to Park Environmental Equipment USA in the estimated amount of $179,240 for the period of June 27, 2016 through June 26, 2017.

EXHIBITS: Resolution No. R2016-112
Bid Tabulation

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☐ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $179,240 (annualized estimate)
AMOUNT BUDGETED: $840,000 **AMOUNT AVAILABLE:** $840,000
PROJECT NO.:
ACCOUNT NO.: 600-305-380-5175.020; 600-305-380-5175.030; 600-305-380-5175.040

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.: **PROJECT NO.:**

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to Resolution #R2013-100, City Council approved a bid award to HD Supply and Park USA in June, 2013 for the supply of water meters and related parts. The materials included in the bid are Neptune water meters equipped with R-900I RF transmitters, as the City must have meters compatible with the existing remote-reading equipment. This contract will be utilized to supply

meters for new installations by builders and for replacements of existing meters and related parts which are beyond their useful life. The meters are predominantly a cost-neutral commodity for the City, as the City's meter cost is recouped at the point of resale to a builder or developer.

The bid is divided into sections for small meter (up to 2"), large meter (3" and larger), registers for small and large meters and meter boxes/lids. Specifications allowed for the bid to be awarded together or separately, dependent upon the combination deemed most advantageous to the City.

SCOPE OF CONTRACT

One-year renewal agreement for the purchase of water meters and related parts as needed by the City's Public Works Department and Utility Billing from June 27, 2016 to June 26, 2017.

BID AND AWARD

HD Supply and Park Environmental Equipment USA are the only Neptune-authorized distributors in the Houston market, and both responded with bids to the City's solicitation. HD Supply was the lone respondent on small meters, small and large registers, and meter boxes/lids, and was recommended for award for those sections. Park USA was the low bidder on the large meters and is the recommended vendor for that item. As such, the bid for large water meters are recommended to be awarded to Park Environmental Equipment USA, as reflected in the attached bid tabulation.

Bid specifications required firm unit costs for a period of one (1) year, with allowance for four (4) additional one (1) year renewal options available upon the mutual agreement of both parties, and the approval of City Council. Specifications allow an awarded contractor, at the time of any renewal, an opportunity to request a price increase percentage not to exceed the rate of increase in the "All Items" category of the Consumer Price Index (CPI), Houston-Galveston-Brazoria region, during the prior 12 month period. Park Environmental Equipment USA has agreed to renew their portions of the contract for an additional year at no price increase.

SCHEDULE

Supply of water meters and related parts will occur as needed throughout the term of the renewal period of one year. The City is anticipating a transition from the current meter-reading technology to advanced metering infrastructure (AMI) technology, which would facilitate the transmission of real-time meter data to the City Utility Billing division. A team of senior Public Works and Utility Billing management are currently working with Purchasing Staff in development of an appropriate request for proposal (RFP) specification for the selection and procurement of an optimal system for the City's needs, which is anticipated to be released for competitive solicitation in the next 60-90 days.

The meter supply contract under consideration herein for Council approval contains a termination for convenience provision with 30 day notice, which would accommodate a subsequent transition to AMI as described above.

POLICY/GOAL CONSIDERATION

Purchase of these water meters and related parts are needed to supply meters for new installations by builders and for replacements of existing meters, registers and meter boxes/lids which are beyond their useful life, pursuant to our water meter replacement program.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE

Funding for these items come from the Water and Sewer Operation account.

RECOMMENDED ACTION

City Council consideration and approval of Resolution No. R2016-112 renewing a unit supply bid for large water meters and related parts to Park Environmental Equipment USA in the estimated amount of $179,240 for the period of June 27, 2016 through June 26, 2017.

RESOLUTION NO. R2016-112

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for large water meters and related parts to Park Environmental Equipment USA in the estimated amount of $179,240 for the period of June 27, 2016 through June 26, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. The City previously opened bids for the supply of large water meters and related parts.

Section 2. That the City Council hereby renews a bid with Park Environmental Equipment USA, in the unit price amounts reflected in Exhibit "A" attached hereto.

Section 3. The City Manager or his designee is hereby authorized to execute a supply contract for water meters and related parts.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Water Meter & Related Parts Supply Contract

					HD Supply Waterworks		Park Env Eq USA	
Description	Mfgr	MfgNo	UOM	Est. Qty	Unit	Extended	Unit	Extended
SMALL METERS	NEPTUNE	R900I	Sect	1	**$503,119.28**	**$503,119.28**	**$0.00**	**$0.00**
5/8" DISPLACEMENT METER	NEPTUNE	R900I	EA	1620	**$207.14**		**No Bid**	
1" DISPLACEMENT METER	NEPTUNE	R900I	EA	75	**$264.71**		**No Bid**	
2" DISPLACEMENT METER	NEPTUNE	R900I	EA	1	**$569.41**		**No Bid**	
2" COMPOUND METER	NEPTUNE	R900I	EA	100	**$1,464.71**		**No Bid**	
2" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$658.82**		**No Bid**	
LARGE METERS	NEPTUNE	R900I	Sect	1	**$248,200.00**	**$248,200.00**	**$179,240.00**	**$179,240.00**
3" COMPOUND METER	NEPTUNE	R900I	EA	1	**$9,000.00**		**$7,995.00**	
4" COMPOUND METER	NEPTUNE	R900I	EA	1	**$9,700.00**		**$9,350.00**	
6" COMPOUND METER	NEPTUNE	R900I	EA	1	**$15,000.00**		**$12,525.00**	
8" COMPOUND METER	NEPTUNE	R900I	EA	1	**$16,800.00**		**$13,650.00**	
10" COMPOUND METER	NEPTUNE	R900I	EA	1	**$39,000.00**		**$26,650.00**	
12" COMPOUND METER	NEPTUNE	R900I	EA	1	**$41,000.00**		**$27,750.00**	
3" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$8,700.00**		**$6,325.00**	
4" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$8,500.00**		**$7,450.00**	
6" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$13,000.00**		**$10,650.00**	
8" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$16,500.00**		**$12,995.00**	
10" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$31,000.00**		**$17,650.00**	
12" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	**$40,000.00**		**$26,250.00**	
REGISTERS FOR SMALL METERS	NEPTUNE	R900I	Sect	1	**$95,710.00**	**$95,710.00**	**$0.00**	**$0.00**
5/8" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	500	**$170.00**		**No Bid**	
1" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	20	**$170.00**		**No Bid**	
2" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	1	**$170.00**		**No Bid**	
2" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	40	**$170.00**		**No Bid**	
2" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
2" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	**$170.00**		**No Bid**	
REGISTERS FOR LARGE METERS	NEPTUNE	R900I	Sect	1	**$3,060.00**	**$3,060.00**	**$0.00**	**$0.00**
3" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
3" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
4" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
4" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
6" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
6" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
8" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
8" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
10" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	
10" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	**$170.00**		**No Bid**	

					HD Supply Waterworks		Park Env Eq USA	
12" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	$170.00		No Bid	
12" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	$170.00		No Bid	
3" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
4" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
6" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
8" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
10" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
12" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	$170.00		No Bid	
METER BOXES/LIDS	NEPTUNE		Sect	1	$3,390.00	$3,390.00		$0.00
1" DUAL METER BOX			EA	50	$16.60		No Bid	
1" DUAL METER BOX LID			EA	50	$6.00		No Bid	
2" DUAL METER BOX			EA	100	$16.60		No Bid	
2" DUAL METER BOX LID			EA	100	$6.00		No Bid	

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	Resolution No. R2016-120
DATE SUBMITTED:	June 17, 2016	**DEPT. OF ORIGIN:**	Fire
PREPARED BY:	Daniel Baum	**PRESENTOR:**	Vance Riley
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: Resolution No. R2016-120 - A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for Fire Department Dispatching Services to Cypress Creek EMS in the estimated amount of $223,400 for the period of December 16, 2016 to December 15, 2017.

EXHIBITS: R2016-120
Cypress Creek EMS Subscriber Agreement

FUNDING:

	☐ **Grant**	☐ **Developer/Other**	☒ **Cash**
☐ **Bonds To Be Sold**	☐ **Bonds- Sold**	☐ **L/P – Sold**	☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $223,400 FY17 **AMOUNT BUDGETED:** $223,400 FY 17
AMOUNT AVAILABLE: $223,400
ACCOUNT NO.: 100-205-260-5400.160, 100-205-260-5600-170
PROJECT NO.: N/A

ADDITIONAL APPROPRIATION REQUIRED: N/A
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **Legal** **Ordinance** **Resolution**

EXECUTIVE SUMMARY

BACKGROUND

In January 2013, the City entered into a contract with Harris County Emergency Corps (HCEC) to provide dispatch services, including advanced emergency medical dispatch, for the then separate Fire and EMS departments. After several months of preparations, the 3rd party dispatch operations began in early May 2013. The City's formerly separate Fire and EMS Departments were consolidated in October 2013 to provide improved coordination, service level, and efficiencies.

Over the past three years, the use of a 3rd party dispatch center has proven to be largely successful and has resulted in improved capabilities for the Fire department through the use of GPS-based dispatching, a CAD system specifically geared towards Fire and EMS operations, and dispatchers certified by the National Academies of Emergency Dispatch in Emergency Medical Dispatching and Emergency Fire Dispatching.

There have been however, some operational inconsistencies with the current vendor. HCEC has been quick to fix issues as we present those issues to them, however these inconsistencies have occasionally hindered Fire Department operations. The primary inconsistencies relate to IT issues, and deviation from established protocols. Coordination with Pearland PD dispatch by the incumbent vendor has been less than desirable, particularly over the last several months.

Fire Department staff still recommends 3rd party provision of these services, however department leadership has decided that it was time to re-evaluate the current vendor and look at what other opportunities are available. During the City Council budget retreat, a white paper outlining Fire Department dispatching was reviewed. At that time there was some conceptual interest to look at bringing Fire Department dispatching in-house, but the consensus and staff recommendation is that the continued use of a 3rd party vendor is more cost effective. It is estimated that bringing Fire Department dispatching in house would cost over **$600,000 a year in salaries, and over $500,000 a year in software licensing costs, as well as over $500,000 in startup costs.** Ultimately, contracting with a new vendor was the option discussed with the consensus to pursue. In fact, the existing contract with HCEC contemplates renewal options with six months' notice so that the market could be tested and performance criteria developed for contractors to consider.

Accordingly, City staff has developed a Request for Proposal (RFP) to solicit responses from outside agencies/companies capable of providing the required services to the City. Two (2) proposals were received, one from the incumbent Harris County Emergency Corps (HCEC) and the second from Cypress Creek EMS (CCEMS).

Representatives from the Fire Department, Police Department, and Information Technology participated in the RFP evaluations as well as attended the presentations given by the two firms.

SCOPE OF CONTRACT

Provision of Fire Department dispatching services for the City of Pearland at the fixed pricing reflected herein for a three (3) year term.

BID AND AWARD

In March 2016, the City published a public notice in its newspaper of record and posted Bid No. 0316-26 on the City's e-bid system with email notification to six (6) vendors, in accordance with City Purchasing policy and state law.

Two (2) proposals were received and have been evaluated by Fire, Police, and IT management personnel with respect to the following areas (which comprise the evaluation criteria contained in the RFP specifications): qualifications and experience; rates and expenses; procedures, reporting and software capabilities; quality of references; and ability to meet all requirements set forth in the RFP.

While both proposals reflect an apparent ability to provide the required services to the City, the evaluations by City emergency staff recommend an award to Cypress Creek EMS due to

somewhat inconsistent performance by the current vendor, ability to better integrate with Pearland Police operations, and a stronger IT infrastructure.

Financially, the current incumbent HCEC provides service on an $18 per call basis, roughly $168,642 per year for 9,369 calls for service.

In the new proposal, HCEC continues to offers a fee structure of $18 per call. They also request an annual $200 maintenance fee per MDT license (currently 30). Additionally, the HCEC proposal is charging the city $50,000 to contribute to their installation of the Purvis Fire Station Alerting System hardware in their dispatch center. Estimated annual cost for HCEC is $174,642 plus the $50,000 contribution for the Fire Station Alerting System.

In their proposal, **Cypress Creek EMS offers a fee structure of $21 per call, and $9 per call for automatic alarms (Fire Alarms/Medical Alarms) that are unfounded. They also charge an annual base station fee of $2,000, an annual per station fee of $500, and an annual technology fee of $3,000. Estimated annual cost for Cypress Creek is $211,000.**

The costs to transition to Cypress Creek EMS are as follows:

- Radio and antennae set up fees in the amount of $6,000 will be due in December 2016.
- Base station, additional station and technology fees in the amount of $7,000 (detailed above) will be due in February 2017 (and each following February).
- Purvis Fire Station Alerting integration with CAD in the amount of $18,400 will be due in December 2016. This is a one-time expense.
- Estimated incident fees in the amount of $192,000 will be due in February 2018 (for calendar year 2017 incidents).

Estimated additional costs of transition are as follows:

- Image Trend for Electronic Patient Reporting Software integration with CAD in the amount of $5,000 due in December 2016.
- First In Systems Mapping Software (integrates with CAD) in the amount of $12,000 will be due in December of 2016
- Installation of the Purvis Fire Station Alerting System servers, hardware, and software at the CCEMS dispatch center in the amount of $185,000 will be brought to Council for approval at a later date as a separate resolution. (CCEMS has stated that if any of their other clients decide to utilize the Purvis system, a cost sharing agreement can be set up).

Both respondents made presentations and were interviewed by the evaluation team, as well as additional senior City management personnel. After the interviews, the evaluation team discussed respective vendor strengths/weaknesses, and anticipated performance based on presentation of processes, procedures, and reporting capability, as well as responses to team questions. **The unanimous consensus of the evaluators, including a representative from**

Pearland PD dispatchers is that the CCEMS proposal represents the better value and best meets the service requirements of the City.

Cypress Creek EMS's dispatch center is located in Spring, in the vicinity of Intercontinental Airport. CCEMS is the 9-1-1 and dispatch facility for 16 agencies including nine fire departments, three EMS providers, the Harris County Fire Marshal's Office, and the Harris County Hazardous Materials Team. It is also the Regional Communications Center for the South East Texas Regional Advisory Council (SETRAC) and Emergency Medical Task Force Region 6 (EMTF6). Their communications center serves as a Secondary Public Safety Answering Point (SPSAP) in the Greater Harris County 9-1-1 network. They currently handle over 58,000 9-1-1 calls per year and their current clients span from the Katy area, to Houston ship channel area.

Among the strengths considered in recommending CCEMS are their IT capabilities, the ability for their CAD to do address point based mapping, and it is the evaluation committee's opinion that they can better integrate with the operations of Pearland PD's dispatch center.

SCHEDULE

We anticipate a go-live date of December 15, 2016. Preparations for the transition will begin immediately.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

Funding for these services will come from the General Fund.

RECOMMENDED ACTION

A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for Fire Department Dispatching Services to Cypress Creek EMS in the estimated amount of $223,400 for the period of December 16, 2016 to December 15, 2017.

RESOLUTION NO. R2016-120

A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for Fire Department Dispatch Services to Cypress Creek EMS, in the estimated amount of $223,400 for the period of December 16, 2016 through December 15, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City solicited bids for Fire Department dispatch services, and such bids have been reviewed and tabulated.

Section 2. That the City Council hereby awards the bid to Cypress Creek EMS, in the estimated amount of $223,400.00.

Section 3. The City Manager or his designee is hereby authorized to execute a contract for fire department dispatch services.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

This Agreement between Cypress Creek Emergency Medical Services ("CCEMS") and AGENCY NAME (also referred to herein as the "Subscribing Member") for the provision of Emergency Communication Services is signed and entered into on this the ____ day of _____, 20xx. In consideration of the mutual promises contained in the Agreement, the parties agree as follows:

1. SERVICES PROVIDED

CCEMS will provide Emergency Communication Services through its Emergency Communications Center ("Comm Center"). The Comm Center will receive emergency and non-emergency communications directed to the Subscribing Member and will dispatch the Subscribing Member's personnel and equipment, by appropriate means, within the Subscribing Member's geographic area in response to such communications (the "Services"). These Services will be provided twenty-four (24) hours a day, seven days a week, fifty-two weeks a year, for the duration of this Agreement, without interruption for any reason, including natural disaster; with the following exceptions; (1) A compromise in the structural integrity of the building materially impairing the ability to deliver the service, (2) a fatal infrastructure failure from whatever cause, (3) a material decrease in CCEMS' funding by an outside agency or (4) force majeure. CCEMS will develop redundancy of systems to insure non-interruption of the Services in the event one system is disabled. The Services will be of the same quality and performed by the same personnel as are CCEMS' own Emergency Communication Services. All personnel will be trained to meet or exceed CCEMS' standards of competency and professionalism. CCEMS will abide by all applicable laws, rules and regulations to the best of their ability. CCEMS will continue to enhance Services provided with updated technology and updated protocols to reflect best practices in the industry.

2. COMPENSATION/FUNDING

- The initial term of the Agreement is three (3) years. In addition to the charges per call described below, the base fee for CCEMS' dispatch services is $2,000 as a First Station Base Fee, paid annually, and $500 for each additional station, also paid annually. If, in the sole and exclusive judgment of CCEMS' Executive Director or his/her designee, the Subscribing Member, performs competently, consistently, effectively and timely, as an Automatic Aid First Responder to CCEMS' medical calls, then the base fee will be reduced by 25%. If, in the sole and exclusive judgment of CCEMS' Executive Director or his/her designee, the Subscribing Member further performs competently, consistently, effectively and timely as a Mutual Aid Agency to CCEMS medical calls, then the base fee will reduce by an additional 25%. Evaluation of the Subscribing Member's performance as an Automatic Aid First Responder or Mutual Aid Agency will be made 30 days after the first year in which the Subscribing Member performs under this Agreement. Any reduction in Base Fee will be either remitted by CCEMS within thirty (30) days of determining satisfactory performance or will be waived for the next year of this Agreement, as determined solely and exclusively by CCEMS' Executive Director or his/her designee. In no event shall any waiver or refund of the Base Fee exceed 100% of such amount paid by a Subscribing Member, regardless of whether that Member functions both as an Automatic Aid First Responder or a Mutual Aid Agency. Each renewal of this Agreement is subject to the base fee as adjusted by agreement of the parties. In addition, the Subscribing Member will pay a Dispatch Service Fee of Twenty One Dollars ($21.00) for each FIRE/RESCUE call dispatched by CCEMS for the Subscribing Member, $9.00 for each AUTOMATIC FIRE/MEDICAL ALARM dispatch and $5.00 for each EMS assist outside of CCEMS' Service Territory. The Base Fee is due upon the execution of this Agreement. Ongoing charges for Dispatch Service Fees will be billed on February 1st and due on February 28th of the year immediately following the year of service. Extensions may be requested from CCEMS and approved by the Executive Director. All calls are chargeable to the Subscribing Member, except (1) medical emergencies within the response territory of CCEMS, and (2) calls for service to motor vehicle accidents

involving medical aid only, as EMS assist services. Whether a dispatch falls within either of these two categories will be determined by CCEMS in its sole and exclusive discretion. If the Subscribing Member also runs its own ambulance service that Member's EMS calls will be charged at $21.00 per call.

- CCEMS may create additional compensation/funding rules dependent on the specialized needs of non-standard fire/EMS agencies.
- A Technology Fee will be annually assessed to all Comm Center users in the amount of $3,000 per year invoiced and payable initially upon the execution of this contract and thereafter during February of each calendar year. The purpose of the technology fee is to first fund the fiber optic line to TranStar and then to assist in funding further technological improvements that benefits all users. This fee may be removed under recommendation of the UAB but CCEMS has the sole authority to continue the fee as deemed necessary. If at any time the technology fee is deemed unnecessary, or if an agency is financially incapable of contributing to the technology fee, a motion may be set forth and voted on by the UAB.

3. RENEWAL

This Agreement will renew automatically for successive one (1) year periods unless either party provides written notice of termination to the other at least three (3) months prior to the next successive anniversary date. CCEMS agrees to provide written notice of any proposed fee increase at least six (6) months prior to the anniversary date on which such increases would go into effect. Any agency may voluntarily remove themselves from the services of CCEMS Comm Center at any time with a **minimum** of a 30 day notice; however such termination shall be effective only when all sums due and own CCEMS by the Subscribing Member have been paid in full. Any early termination by a Subscribing Member constitutes a waiver of CCEMS' discretionary right to refund any or all Base Fees. An Administrative Termination Fee of $1000.00 will also be charged and will be due and owing upon early termination.

4. USER ADVISORY BOARD

(Subscribing Member) may appoint one member to the User Advisory Board. An annual update will be given by UAB members and as necessary identifying their specific representative. The purposes and authority of the User Advisory Board are as follows:

A. A User Advisory Board was established to provide an opportunity for all Subscribing Members to monitor the staffing, equipment and physical facilities of Comm-Center that may affect the ability of user agencies to achieve their unique fire department needs or their other specialized missions

   The purpose of the User Advisory Board will be to observe that appropriate agency and other specialized agency protocols are established and used in the Comm-Center, to offer suggestions for hiring, orientation and training standards for the Comm-Center staff, to advise the Executive Director of CCEMS regarding the specialized needs of participating agencies or other user agencies, and to act as a quality review advisory committee for all user agencies, customers and contractors of Comm-Center.

B. The User Advisory Board will act as a consultant to the CCEMS Board of Directors in matters relating to expansion of the user base, solely in order to promote continuation of quality service to all Subscribing Members. Any proposed additional agency users of the Comm Center are to be discussed (after appropriate vetting) at a UAB meeting to obtain feedback on the potential impact to existing users.

C. Each Subscribing Member will appoint one individual representative to the User Advisory Board. The Director of the Comm-Center will serve as the permanent chairperson of the User Advisory Board, which will develop its own operating protocols. The User Advisory Board's primary objective will be to assess whether the operating needs and concerns of user agencies are handled promptly and objectively and to facilitate communication between CCEMS and the Subscribing Members.

D. The User Advisory Board will serve in an advisory and consultative capacity only with respect to matters affecting Comm-Center operations. Sole and exclusive authority and responsibility for Comm-Center management, its staff and physical resources rests with CCEMS, its Executive Director and its Board of Directors.

E. The User Advisory Board will operate voluntary task forces to develop proposals regarding possible radio frequency shifts and capital acquisitions that may be necessary to maintain superior levels of emergency communication services consistent with the needs of the user agencies.

F. The UAB may reject the addition of other agencies as UAB members by an 80% majority vote of all current UAB members.

5. SUBSCRIBING MEMBER DEFAULT

Payment of all fees not collected upon the execution of this Agreement by a Subscribing Member shall be due and payable within twenty eight (28) days of invoicing to the Subscribing Member. Failure to pay within

the twenty eight (28) day period is an event of default. Upon notice to the Subscribing Member of such event of default, the Subscribing Member shall cure such default within fifteen (15) days. Failure to cure such default will result in the automatic and immediate termination of Services by CCEMS under this Agreement and will simultaneously cause all other sums due and owing, or which are work in process, to then become due and owing. The rate of interest on past due accounts and any other sum owed to CCEMS is twelve (12) percent. Upon the full and complete payment of all sums due and owing under the Agreement, CCEMS may, but is not obliged to, resume Services under this Agreement. As a condition of resumption of Services, CCEMS may require a deposit not to exceed the total annual (or annualized) charges paid by the Member the preceding year. Under no circumstance is CCEMS obligated to resume Services to a defaulting Member regardless of whether said Member pays its account in full. Any decision by CCEMS to decline a resumption of Services shall in no way act as a waiver or obstacle to CCEMS' right to recover sums due and owing through and including the date of default.

6. CCEMS' AND SUBSCRIBING MEMBER OBLIGATIONS

CCEMS and each Subscribing Member will maintain in full force and effect liability insurance in the amount of $1,000,000.00 or at least an amount sufficient to satisfy a judgment against it up to and including the limits of its statutory liability. CCEMS will be deemed in default herein should it cease, due to its own negligence, to staff and operate the physical facilities necessary to perform its obligations hereunder.

CCEMS and (Subscribing Member) will indemnify and hold each other harmless for any and all claims arising out of their respective acts of negligence, but not otherwise.

CCEMS will maintain all records required by law and will permit examination and dissemination of said record only in accordance with law or a subpoena issues pursuant to law.

7. (Subscribing Member) retains ownership of any equipment it lends or furnishes to CCEMS in furtherance of this Agreement.

8. GOVERNING LAWS

The obligations of CCEMS and (Subscribing Member) shall be construed and enforced in accordance with the laws of the State of Texas. Venue of any claim, suit or dispute arising under this Agreement shall be in Harris County exclusively. The prevailing party in any dispute, claim or suit arising hereunder shall recover its reasonable attorney's fees and expenses of litigation, the reasonableness and necessity of which shall be determined by the Court and not by a jury, all parties hereto expressly agreeing to waive their right to trial by jury on the issue

9. ENTIRE AGREEMENT

This Agreement and any amendments thereto, contain the entire agreement between CCEMS and (Subscribing Member) for emergency communication services. No variations, modifications, or changes shall be binding upon any Subscribing Member of CCEMS unless it is in writing, signed by both parties, and approved by the Board of Directors of CCEMS.

Executed at _____, Texas, on _____, 2012

Cypress Creek Emergency Medical Services

By: _____
(Signature)

By: _____
(Printed name and title of person signing as authorized representative)

SUBSCRIBING MEMBER

By: _____
(Signature)

By: _____
(Printed name and title of person signing as authorized representative)

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-114
DATE SUBMITTED:	June 28, 2016	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	Michael Leech	**PRESENTER:**	Michael Leech
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: Resolution No. R2016-114; A Resolution of the City Council of the City of Pearland, adopting and implementing a Sustainable Practices Policy for City facilities replacing prior adopted LEED Certification mandates.

EXHIBITS:
A. Resolution R2016-114 Revised Policy (Sustainable City Practices)
B. Resolution R2009-08-10 Green Facility Policy
C. Resolution R2009-06-22 Green City Policy
D. August 13, 2015 Memorandum
E. May 11, 2016 memorandum

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☐ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: NA **AMOUNT BUDGETED:** NA
AMOUNT AVAILABLE: NA **PROJECT NO.:**
ACCOUNT NO.:
ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The purpose of this Agenda Request is to replace two City Policies pertaining to LEED certification to reflect current City Council direction on such matters.

Resolutions R2009-09-10 Green Facility Policy and R2009-06-22 Green City Policy are attached as exhibits B and C. Both contain language requiring the use of LEED practices for the construction or renovation of City Facilities.

The following is taken from the policies and is illustrative of the spirit of each policy.

"The city agency or instrumentality of the City or political subdivision of the city responsible for each such facility shall seek the minimum ("Certified") LEED certification, however the City shall strive for the highest level of certification attainable for each project as deemed appropriate at the time."

"To accomplish this goal, the City will also pursue LEED certification on all building construction projects and design cost effective methods to reduce energy consumption when new components are added to the City's water and wastewater system".

In October of 2013 staff conducted a workshop with the Council to provide input and receive direction on whether to continue to employ LEED requirements in the planning, design and construction of future facilitates. Further, City Council directed staff not to pursue LEED certification for Station 3 when the design contract was brought to City council for consideration.

In general, council's response questioned the cost / benefit relationship provided by the LEED criteria. Council questioned the value of spending taxpayer monies to meet LEED requirements resulting in bragging rights and a plaque. The overall attitude was that the City could provide cost effective, sustainable facilities without LEED certification and the costs associated therewith.

Since the time of that discussion, no City facility construction or improvement projects have been designed or constructed to a LEED standard. Additionally, the forthcoming project to enhance the Nature Center will not include LEED certification unless otherwise directed.

As the Green Facility Policy includes a significant percentage of LEED centric language, staff thought it prudent to consolidate the Green Facility and Green City policies into one. The revised policy is attached as exhibit A. The Green Facility and Green City policies are attached and respectively labeled as exhibits B and C.

You will note that the revised policy (exhibit A) is more similar to the Green City Policy (exhibit C) than the Green Facility Policy (exhibit B). It is staffs opinion that the Green Facility Policy reads like a procedure which outlines how LEED should be implemented. It is staffs opinion that when the LEED centric language in the Green Facility Policy is removed, the remaining language is similar enough to that of the Green City Policy that it need not be restated. The revised policy (exhibit A) includes language reflective of the current City Council direction. This specific language can be found in section 6 of the revised policy (exhibit A). Additionally, sections 1 through 5 of the revised policy have been reviewed with the pertinent departments to ensure that the policy language is still relevant.

RECOMMENDED ACTION

Staff recommends City council approval of Resolution R2016-114 adopting and implementing a Sustainable Practices Policy for City facilities replacing prior adopted LEED Certification mandates.

RESOLUTION NO. R2016-114

A Resolution of the City Council of the City of Pearland, adopting and implementing a Sustainable Practices Policy for City facilities replacing prior adopted LEED Certification mandates.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That certain Sustainable Practices Policy, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

Section 2. That resolution R2009-98 and resolution R2009-127 are hereby repealed and replaced by this resolution R2016-114.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

SUSTAINABLE CITY PRACTICES POLICY

Section 1. Leadership. The City of Pearland will assume a proactive role in the coordination of green initiatives among the surrounding cities and counties. The initiatives will focus on the reduction of the amount of materials entering landfills; increasing the amounts of hazardous and toxic materials recycled; reducing water usage; improving water quality; improving air quality and improving the environment for area residents.

Section 2. Energy Consumption. The City will actively seek to reduce consumption of resources through the evaluation of current energy usage and identify cost effective ways to reduce the amount of electricity, natural gas, fuel, and water consumed by the City.

Section 3. Water Conservation. The City will actively seek to reduce consumption of water in all current and future City facilities as well as educate the citizens of Pearland of the importance of water conservation. The city commits to review existing codes and ordinances for residential and commercial development, and to update as needed to ensure the reduction of water consumption within the City.

Section 4. Recycling. The City commits to maximizing recycling opportunities for its residents through curbside recycling programs and the operation of a drop-off site that accepts the widest range of materials for which there is a market. Keep all of this after confirming it is still valid and add curb side recycling and household hazardous wastes services available through our solid waste contract.

Section 5. Reuse/Rebuy. The City will develop a policy for purchase and reuse of goods manufactured from recycled materials. The policy will provide guidelines for bidding which includes a requirement to solicit bids from manufactures or recycled products. Products made from recycled materials will be used if the cost is equal to or less than the cost of non-recycled products and the quality of the material is equal to non-recycled material.

Section 6. Facility Construction / Renovation. The design, construction, operations, maintenance, and renovation of all major facilities shall be performed in accordance with the Building Code (latest adopted), Energy Code (latest adopted), and with industry standard best practices. These best practices shall include; maximization of facility energy efficiency, minimization of resource consumption, and the implementation of reliable and long lasting building systems. Further The City shall assess return on investment claims for new technology to ensure their validity prior to implementation.

Exhibit B

RESOLUTION NO. R2009-127

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, ADOPTING A GREEN BUILDING POLICY.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City Council hereby adopts the Green Building Policy attached hereto as Exhibit "A", attached hereto.

PASSED, APPROVED, AND ADOPTED this 10th day of August, A.D., 2009.

TOM REID
MAYOR

ATTEST:

YOUNG LOREING, TRMC
CITY SECRETARY

CITY OF PEARLAND, TEXAS

APPROVED AS TO FORM:

DARRIN M. COKER
CITY ATTORNEY

Green Building Policy

A policy for the purpose of requiring that the design, construction, operation, maintenance, renovation, and deconstruction of buildings owned or leased by the City of Pearland, comply with certain energy-efficient building standards.

Section 1. Short Title.

This Policy shall be known and may be cited as the "Green Building Policy."

Section 2. Findings and Declarations.

The City Council finds and declares the following:

It is the policy of the City of Pearland to encourage the construction, rehabilitation, and maintenance of buildings in this city in such a manner as to:

(A) Promote better environmental standards for the construction, rehabilitation, and maintenance of buildings in the city;

(B) Improve energy efficiency and increase generation of energy through renewable and clean energy technologies;

(C) Increase the demand for environmentally preferable building materials, finishes, and furnishings;

(D) Improve the environment by decreasing the discharge of pollutants from buildings;

(E) Create industry and public awareness of new technologies that can improve the quality of life for building occupants; and

(F) Improve the health and productivity of building occupants by meeting advanced criteria for indoor environmental quality.

In order to facilitate the foregoing policies, the City Council of the City of Pearland, hereby requires the design, construction, operations, maintenance, renovation, and deconstruction of all major facilities that enter into the pre-design phase after the date of enactment of this Policy, and the site of all such facilities, shall conform to, or exceed, the Green Building rating of the most recent version of the USGBC LEED-NC Green Building Rating System for a new building and for major renovations OR the most recent version of LEED Green Building Rating System Version LEED-EB for an existing building. All such buildings shall be certified through the LEED certification process.

Section 3. Definitions.

(A) "City Manager" means the operating manager for the City of Pearland.

(B) "Commissioning" means the process of verifying and ensuring that the entire building and the systems within are designed, constructed, functionally tested, and calibrated to operate as intended.

(C) "Department" means the Department of Parks and Recreation.

(D) "Green Building" or "High-Performance Building" means a building that is designed to achieve integrated systems design and construction so as to significantly reduce or eliminate the negative impact of the built environment on the following:

(1) Site conservation and sustainable planning;

(2) Water conservation and efficiency;

(3) Energy efficiency and renewable energy;

(4) Conservation of materials and resources; and

(5) Indoor environmental quality and human health.

(E) "LEED Green Building Rating System" means the Leadership in Energy and Environmental Design (LEED) green building rating system developed and adopted by the U.S. Green Building Council (USGBC), which measures and evaluates the energy and environmental performance of a building.

(F) "LEED-EB" or "Green Building Rating System Version LEED-EB" means the most current Leadership in Energy and Environmental Design Green Building Rating System guidelines developed and adopted by the United States Green Building Council for existing buildings.

(G) "LEED-NC" or "LEED Green Building Rating System Version LEED-NC" means the most current Leadership in Energy and Environmental Design Green Building Rating System developed and adopted by the United States Green Building Council for new construction and major renovations.

(H) "Life-cycle cost" means the cost of a building, as determined by the methodology identified in the National Institute of Standards and Technology's Handbook 135, including the initial cost of its construction or renovation, the marginal cost of future energy capacity, the cost of the energy consumed by the facility over its expected useful life or, in the case of a leased building, over the remaining term of the lease, and the cost of operating and maintaining the facility as such cost affects energy consumption.

(I) "Major facility" means any building:

(1) Owned or operated, in whole or in part, by the City, or

(a) Which has five thousand or more gross square feet.

(2) Constructed on land leased from the City.

(J) "Platinum rating" means the rating in compliance with, or exceeding, the highest rating awarded by the USGBC LEED certification process.

(K) "Gold rating" means the rating in compliance with, or exceeding, the second highest rating awarded by the USGBC LEED certification process.

(L) "Silver rating" means the rating in compliance with, or exceeding, the third highest rating awarded by the USGBC LEED certification process.

(M) "Certified rating" means the rating in compliance with, or exceeding, the minimum rating awarded by the USGBC LEED certification process.

(N) "State agency" means any department, board, bureau, commission, institution, public higher education institution or other governmental entity of the state of Texas.

Section 4. Requirements.

The design, construction, operations, maintenance, renovation, and deconstruction of all major facilities that enter into the pre-design phase after the date of enactment of this Policy, and the site of all such facilities, shall conform to, or exceed, the Green Building rating of the most recent version of the USGBC LEED-NC Green Building Rating System for a new building and for major renovations OR the most recent version of LEED Green Building Rating System Version LEED-EB for an existing building. All such buildings shall be certified through the LEED certification process and:

(1) The city agency or instrumentality of the city or political subdivision of the city responsible for each such facility shall seek the minimum ("**Certified**") LEED

certification however, the city shall strive for the highest level of certification attainable for each project as deemed appropriate at the time.

Section 5. Exemptions.

(A) The City Manager may exempt any building from compliance with the mandates under Section 4, if it is deemed that the cost of compliance sufficiently exceeds the building's life-cycle cost savings.

(B) Any building under the mandate under Section 4 that is given exemption by the City must comply with the USGBC LEED Green Building Rating System to the maximum extent possible such that the cost of compliance does not sufficiently exceed the building's life-cycle cost savings.

Section 6. Guidelines for Administration and Compliance.

(A) The Department hereby has the authority to issue regulations pertaining to compliance and certification with this Policy as described in Section 4.

(B) The Department shall develop processes and systems to verify compliance with the mandate under Section 4.

Section 7. Conflicting Provisions.

All Policies and parts of policies in conflict with this Policy are repealed.

Section 8. Effective Date.

This Policy shall take effect immediately upon enactment.

Section 9. Severability.

If any provision of this Policy or the application thereof to any person or circumstance, is held invalid, the invalidity shall not affect other provisions or applications of this Policy, which can be given effect without regard to the invalid provision or application and, to this end, the provisions of this Policy are severable.

RESOLUTION NO. R2009-98

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, DECLARING THE CITY OF PEARLAND AS A "GREEN CITY" AND COMMITTING THE CITY TO ACHIEVE SUSTAINABILITY GOALS.

WHEREAS, it is the policy of the City of Pearland to conduct the City's business in an environmentally friendly way that results in the reduced consumption of energy and natural resources; and

WHEREAS, the City commits to taking the following actions to implement its sustainability goals; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. Leadership. The City of Pearland will assume a proactive role in the coordination of green initiatives among the surrounding cities and counties. The initiatives will focus on the reduction of the amount of materials entering landfills; increasing the amounts of hazardous and toxic materials recycled; reducing water usage; improving water quality; improving air quality and improving the environment for area residents.

Section 2. Energy Consumption. The City will actively seek to reduce consumption of resources through the evaluation of current energy usage and identify cost effective ways to reduce the amount of electricity, natural gas, fuel, and water consumed by the City.

When new city facilities are constructed or existing facilities are remodeled, the City will incorporate cost effective methods to reduce energy consumption, including but not limited to, use of energy efficient heating and cooling systems, and the use of building design and materials designed to

reduce energy consumption. To accomplish this goal, the City will also pursue LEED certification on all building construction projects, and design cost-effective methods to reduce energy consumption, when new components are added to the City's water and wastewater system.

Section 3. Water Conservation. The City will actively seek to reduce consumption of water in all current and future City facilities as well as educate the citizens of Pearland of the importance of water conservation. The City commits to review existing codes and ordinances for residential and commercial development, and to update as needed to ensure the reduction of water consumption within the City.

Section 4. Recycling. The City commits to maximizing recycling opportunities for its residents through curbside recycling programs and the operation of a drop-off site that accepts the widest range of materials for which there is a market. Residents will be allowed to dispose of household hazardous wastes at no cost, and non-residents will be allowed to participate on a fee basis. City employees will be provided an opportunity to recycle at work through the location at all City buildings of recycling containers for aluminum, plastic, and paper.

Section 5. Reuse/Rebuy. The City will develop a policy for purchase and reuse of goods manufactured from recycled materials. The policy will provide guidelines for bidding which includes a requirement to solicit bids from manufacturers of recycled products. Products made from recycled materials will used if the cost is equal to or less than the cost of non-recycled products, and the quality of the material is equal to non-reduced material.

RESOLUTION NO. R2009-98

PASSED, APPROVED and ADOPTED this the 22nd day of June, A.D., 2009.

TOM REID
MAYOR

ATTEST:

YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

DARRIN M. COKER
CITY ATTORNEY

Exhibit D

Memo

To: Clay Pearson, City Manager

From: Skipper Jones, Assistant Director - Projects

CC: Jon Branson, Deputy City Manager
Trent Epperson, Assistant City Manager
Susan Polka, Director of Engineering
Eric Wilson, Director of Public Works

Date: August 13, 2015

Re: LEED Certification of the Deloris Fenwick Nature Center

This memo provides information on the plan for LEED Platinum certification for the Deloris Fenwick Nature Center Building.

BACKGROUND

The 2007 Bond Package included the Nature Center in Proposition 4 – Parks and Recreation. The project scope was for a 7,500 square foot building with associated parking and a tree farm. The building included a "great room" to house interpretive displays, administrative office area for Keep Pearland Beautiful (KPB) staff, two classrooms, restrooms, and an open air pavilion for exhibits.

Although the building was always planned to be a "green" building and to be LEED Platinum, the information presented to voters in 2007 **did not** indicate that the building was planned to be LEED Platinum.

With the adoption of Council Resolution R2009-98, on June 22, 2009, the Council declared the City of Pearland as a "Green City" and expressed its desire for the City to assume a leadership role in environmentally conscientious planning, design, construction and operation of its new facilities and the rehabilitation of existing facilities. A portion of the resolution states, "*To accomplish this goal, the City will also pursue LEED certification on all building construction projects, and design cost-effective methods to reduce energy consumption, when new components are added to the City's water and wastewater system*."

On August 10, 2009, the Council passed Resolution R2009-127 setting out the City's **Green Building Policy**. This policy states, "*The city agency or instrumentality of the city or political subdivision of the city responsible for each such facility shall seek the minimum ("Certified") LEED certification however, the city shall strive for the highest level of certification attainable for each project as deemed appropriate at the time*."

Subsequently, practical experience with LEED Certified projects demonstrated that not all of the LEED requirements were specifically aimed at producing the most cost-effective construction or the most energy efficient and economically maintained facility. Additionally, costs associated with obtaining LEED certification of a project have produced questionable benefits beyond what might be obtained through normal, less costly means.

REVISED DIRECTION

On October 28, 2013 Staff conducted a workshop with Council to provide input and receive direction on whether to continue to employ LEED requirements in the planning, design and construction of future City facilities.

In general, Council's response questioned the cost/benefit relationship provided by the LEED criteria. Council questioned the value of spending taxpayer monies to meet LEED requirements resulting in bragging rights and a small plaque. The overall attitude was that the City could provide cost-effective, sustainable facilities without involvement in LEED certification or absorbing the associated costs by utilizing:

- The City's existing site development/landscaping regulations and current building codes, including the Energy Code
- Utilization of energy efficient mechanical and electrical systems and equipment
- Smart design techniques

From the ensuing Workshop discussion Staff understood the resulting direction from Council to be:

- Design and build facilities for energy and water efficiency
- Utilize existing City codes and requirements in site development, landscaping and low water consumption irrigation
- Forgo LEED project registration and adherence to LEED project administrative procedures
- Forgo LEED "certification" at any level

CONCLUSIONS

Since the 2007 Bond Package did not include any language specifying that the Nature Center be certified as LEED Platinum, staff plans to move forward with the Nature Center project by applying the current policy to the original scope resulting in an energy and water efficient, sustainable facility **without** any level of LEED certification.

Exhibit E

Memo

To: Clay Pearson, City Manager

From: Michael Leech, Assistant Director of Public Works ML

CC: Trent Epperson, Assistant City Manager

Eric Wilson, Public Works Director

Date: May 11, 2016

Re: Green City and Green Building Policy Amendments

5/11/2013
To: Mayor and City Council members
Background on the Green Policies concerning LEED and planned upcoming policy amendments removing LEED certification requirements for the Nature Center and other future projects. -Trent

This memorandum provides background information on the City's Green City and Green Building Policies. It also outlines a plan to change the Policy to reflect the current direction from City Council regarding such matters.

Background

With the adoption of City Council Resolution R2009-98 in June of 2009, the City Council declared the City of Pearland as a "Green City" and expressed its desire for the City to assume a leadership role in environmentally conscientious planning, design, construction and operation of its new facilities and the rehabilitation of its existing facilities. A portion of the resolution states, *"To accomplish this goal, the City will also pursue LEED certification on all building construction projects and design cost effective methods to reduce energy consumption when new components are added to the City's water and wastewater system".*

In August of 2009 The Council passed Resolution 2009-127 setting out the City's Green Building Policy. This policy states, *"The city agency or instrumentality of the City or political subdivision of the city responsible for each such facility shall seek the minimum ("Certified") LEED certification, however the City shall strive for the highest level of certification attainable for each project as deemed appropriate at the time."*

Subsequently, practical experience with LEED Certified projects demonstrated that not all of the LEED requirements were specifically aimed at producing the most cost effective construction of the most energy efficient and economically maintained facility. Additionally, costs associated with obtaining LEED certification of a project have produced questionable benefits beyond what might be obtained through normal, less costly means.

Revised Direction

In October of 2013 staff conducted a workshop with the Council to provide input and receive direction on whether to continue to employ LEED requirements in the planning, design and construction of future facilitates.

In general, council's response questioned the cost / benefit relationship provided by the LEED criteria. Council questioned the value of spending taxpayer monies to meet LEED requirements resulting in bragging rights and a plaque. **The overall belief was that the City could provide cost effective, sustainable facilities without LEED certification and the costs associated therewith**. However, the adopted policies were never amended.

Assuming the current City Council is in agreement with this sentiment, staff will bring revised policies for consideration at a June City council meeting. With these changes, LEED certification will not be pursued on the Delores Fenwick Nature Center project. Should you have questions or concerns prior to the June meeting, please let us know.

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	Resolution No. R2016-128
DATE SUBMITTED:	June 29. 2016	**DEPT. OF ORIGIN:**	Finance
PREPARED BY:	Bob Pearce	**PRESENTOR:**	Vance Riley
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: R2016-128 **A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for the completion of the Fire Department Standards of Cover and Staff Utilization Study in the amount of $79,996 to Citygate Associates, LLC.**

EXHIBITS: Resolution #R2016-128
FY 2017 Early Input Budget White Paper--Public Safety Staffing/Utilization Study Update
Staffing Utilization Memo January 2016
Citygate Associates, LLC RFP Response

FUNDING:

☐**Grant** ☐**Developer/Other** ☐**Cash**
☐**Bonds To Be Sold** ☐**Bonds- Sold** ☐**L/P – Sold** ☐**L/P – To Be Sold**

EXPENDITURE REQUIRED: $79,996
AMOUNT BUDGETED: $80,000 **AMOUNT AVAILABLE**: $80,000
PROJECT NO.:
ACCOUNT NO.: 100-205-100-5400-160 – Base on approval of Fiscal Year 2016 Year-End Projections

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **Legal** **Ordinance** **Resolution**

EXECUTIVE SUMMARY

BACKGROUND
Funds were budgeted for a Police Department staffing study in the amount of $150,000 with plans to pursue a Fire Department staffing study in FY2017. After award of the Police

Department staffing study to Berkshire in late 2015 there are remaining funds available to start the Fire Department staffing study in FY2016. Pursuant to a City Council and City Management directive, Purchasing and Fire Department personnel developed specifications for, and conducted, a Request for Proposal for preparation of a Fire Department Standards of Cover and Staffing Utilization Study. More details of the study description are found in the attached exhibits. Notice of RFP was published in the City newspaper of record and posted on the City's e-bid system, with nine (9) respondents providing proposals.

SCOPE OF CONTRACT

Successful contractor shall prepare the subject study, and conduct a subsequent presentation to City Council enumerating recommendations and findings regarding FD Standards of Cover and Staffing utilization.

BID AND AWARD

The proposals received were reviewed and evaluated by a City team of FD Chief Officers, PD Captain Chad Randall, and HR Generalist Cristen Wood. The responses were evaluated on criteria including: proposed solution (30 points), experience & qualifications (30 points), cost (20 points), and project timeline (20 points). The evaluation team decided to exclude timelines from the final score due to the RFP not establishing a desired timeframe. Upon completion of City evaluation team reviews, the respective average scores (scale of 80) for proposals were as follow:

Firm	Score	Proposed Cost
Fitch & Associates	69.20	$53,950
Emergency Services Consulting International (ESCI)	66.71	$41,388
Citygate Associates, LLC.	63.82	$73,590
Matrix Consulting Group	60.23	$67,700
McGrath Consulting Group	59.45	$55,125
TriData, LLC	56.24	$104,070
Operational Research in Health, Inc	51.78	$79,975
Manitou, Inc.	50.97	$53,750
Center for Public Safety Management (CPSM)	47.75	$159,667

The top four (4) ranked firms were invited to proposal presentation and interview sessions with the evaluation team, which were conducted on June 6th, 7th, and 8th, 2016. Upon conclusion of the four vendor meetings, evaluation team members discussed the relative merits of each proposal, and concurred unanimously that the best proposal for the City's interests was that of Citygate Associates, LLC. Key contributing factors to this consensus, as expressed by evaluation team members during their discussion of the presentations included:

RESPONSIVE RESULTS-ORIENTED TRUST-BUILDERS ACCOUNTABLE

- Experience doing studies in communities with similar growth rates as Pearland. See page 26 of June 28, 2016 Citygate proposal.
- GIS modeling and visualization capabilities.
- Project lead helped develop the Standards of Cover model for the Commission on Fire Accreditation International.

Citygate's original proposal was $73,590. Evaluations yielded that the methodology proposed by Citygate for preparing the study was the best the City received, but felt that the information-gathering should not be as predominantly remote as originally proposed, and that additional site visits by Citygate would be beneficial to the study given certain changing conditions within the

Fire department, including reorganization into 4 divisions in January, rapid growth of full-time staff, and impacts of consolidation of Fire and EMS. In light of these factors, FD management and evaluation team asked for Citygate to modify their proposal to include 4-6 additonal on-site visits, with the resultant proposal cost being $79,996. It should be noted that if any of these additional visits are not required, or if Pearland visits can coincide with Citygate staff visit to another Texas client, it will result in a reduction of the proposal cost from the revised total referenced above.

SCHEDULE

The anticipated timeline for completion of the study and associated tasks is six months from Notice of Award by the City.

POLICY/GOAL CONSIDERATION

Safe Community.

RECOMMENDED ACTION

R2016-128 - A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for Fire Department Standards of Cover and Staffing Utilization Study to Citygate Associates, LLC in the amount of $79,996.

RESOLUTION NO. R2016-128

A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for the completion of the Fire Department Standards of Cover and Staff Utilization Study, in the amount of $79,996, to Citygate Associates, LLC.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That City solicited proposals for a Fire Department Standards of Cover and Staff Utilization Study and such proposals have been evaluated.

Section 2. That the City Council hereby awards the proposal to Citygate Associates, LLC., in the amount of $79,996.

Section 3. The City Manager or his designee is hereby authorized to execute a contract for the Fire Department Standards of Cover and Staff Utilization Study.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Memo

To: Honorable Mayor and City Council
From: Jon R. Branson
Date: December 23, 2015
Subject: Update PD Utilization & Staffing Study Update.

To: Jon Branson, Deputy City Manager

From: Bob Pearce, Purchasing Officer

CC:

Date: December 22, 2015

Re: Police Department Utilization & Staffing Study RFP

In response to a City Council and City administration initiative, Purchasing and Police Department personnel developed specifications for a Request for Proposals for a Police Department Utilization and Staffing Study, which were opened October 30, 2015. Six (6) proposals were received for conducting the study and subsequent recommendations. The proposals received were reviewed and evaluated by a City team of Jon Branson, Michelle Graham, Daniel Baum, Chad Randall, Ron Fraser and Tom Moncrief, with Claire Bogard as an advisory member.

The responses were evaluated on criteria including: proposed solution (30 points), experience & qualifications (30 points), cost (20 points), and project timeline (20 points). Upon completion of City evaluation team reviews, the respective average scores (scale of 100) for proposals were as follow:

- International Association of Chiefs of Police (IACP) – 77.29
- Berkshire Advisors – 74.22
- Emergency Services Consulting International (ESCI) – 72.42
- Center for Public Safety Management (CPSM) – 67.01
- McGrath Consulting Group – 63.33
- Alexander Weiss Consulting – 57.34

Respective costs of the proposals are listed in the table below:

McGrath Consulting Group	Emergency Services Consulting International	Alexander Weiss Consulting	Berkshire Advisors	Center for Public Safety Management	International Association of Chiefs of Police
$31,500.00	$35,340.00	$47,000.00	$80,800.00	$86,000.00	$97,769.00

The top three (3) ranked firms were invited to proposal presentation and interview sessions with the evaluation team, which were conducted on December 10, 2015. Upon conclusion of the three vendor meetings, evaluation team members discussed the relative merits of each proposal, and concurred unanimously that the best proposal for the City's interests was that of Berkshire Advisors. Key contributing factors to this consensus, as expressed by evaluation team members during their discussion of the presentations, included:

- The community and internal stakeholder outreach (survey/interviews) component of the Berkshire proposal will be outsourced to a firm (ETC Institute) specializing in the field, assuring a better sampling methodology for establishing a PD performance perception baseline, which will be a key factor in steering certain recommendations related to departmental direction and needs. The other finalists' outreach methodologies were not nearly as comprehensive and lacked cohesion.

- Berkshire's proposal seemed best tailored to the City's expressed requirements and deliverables, resulting in a model which can be updated and repeated for future years without necessity of outside assistance.

- Berkshire's proposal will include a thorough review of PD service areas to identify those which may be suitable for civilian employee deployment. Berkshire has had significant and long-term experience in police department studies of similar department and municipal populations, geography and demographics.

- Berkshire's proposal was wider in scope and encompassed review of more community and departmental variables than the others, and presentation team reflected their corporate objective of working with the variables in building the subsequent model, rather than applying a "canned" approach to the study.

For the reasons discussed herein, an award recommendation to Berkshire Advisors will be brought before City Council on January 11, 2016. Please advise if I can provide additional information prior to the meeting.

RESPONSIVE RESULTS-ORIENTED TRUST-BUILDERS

2/1/2016
To: Mayor and City Council members
With the award of the Police staffing and utilization study, there is opportunity to advance on the separate Fire study, at least develop the standards of coverage. For your review and comments/questions and future consideration. Clay

Memo

To: Clay Pearson, City Manager; Jon Branson, De

From: Vance L. Riley, Fire Chief VLR

Date: 29 January 2016

Re: Fire Department Staffing Utilization Study

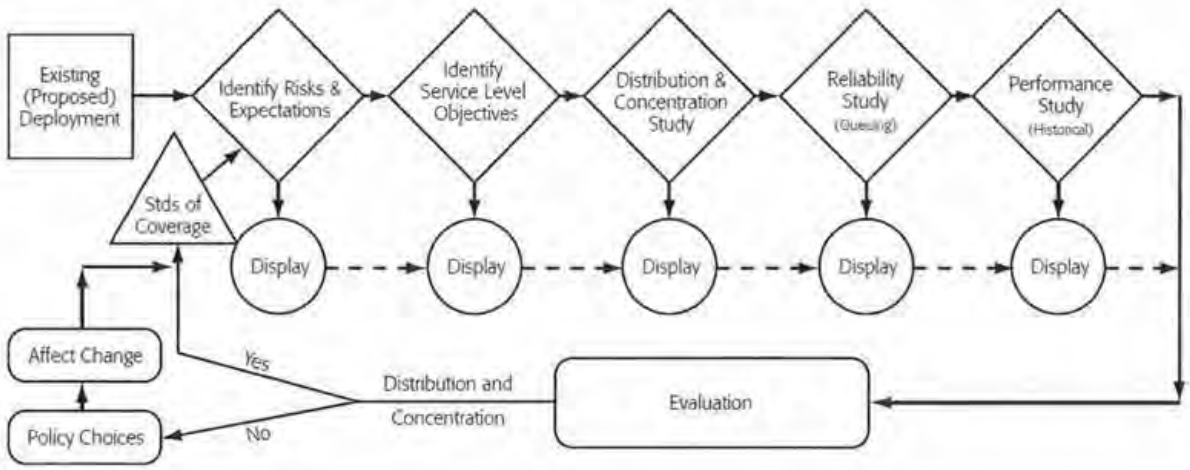
Recently, Council awarded a bid for a staffing utilization study for the Police Department. The bid came in under budget projections. Our original request for a Fire Department staffing study was delayed until FY2017. Now with the remaining funds from the PD staffing study allocation it may be possible to complete most or all of the Fire Department staffing study in FY2016.

We are preparing an RFP that will have 3 options:

1. Standards of Coverage Study
2. Staffing Utilization Study
3. Hybrid Standards of Coverage/Staffing Utilization Study

It is important that we first prepare and understand a standard of coverage before we know our staffing needs and the best way to deploy them. Standard of coverage is simply: what have we got (types of businesses, residences and target hazards) in Pearland and how to we want to cover (use resources to protect) it. The diagram below is a simple illustration of the process:

Standards of Coverage Process



Above chart is from Commission on Fire Accreditation International

The standards of coverage is key component of future plans to become an internationally accredited Fire Department so it will serve that purpose as well as being a key component of a staffing study. This RFP will give us the option of separate Standards of Cover and Staffing Utilization Reports and if not,

then a Hybrid is also an acceptable option. It is also possible that we may need to do the Standards of Cover in FY2016 and the Staffing Utilization study in FY2017 though we are optimistic we can get most of the studies done in FY2016. With the new stations and hospitals, there are enough fixed knowns that we can work with outside expertise to establish standards of coverage specific to Pearland.

The standards of coverage is designed primarily for emergency response but will also touch on fire prevention, emergency management and code enforcement. The staffing study will fully include fire prevention, emergency management and code enforcement staffing.

We are currently preparing the RFP and will be using some of the members of the PD staffing study team as well as FD members to prepare the final version as well as review the RFPs after they are received. We will have the choice of selecting a Standards of Coverage and Staffing Utilization Study, or a Hybrid of both, depending upon costs and proposals, etc. Once we have those proposals, we can evaluate and make decisions on moving forward and not delaying this process.

If you have any questions, please do not hesitate to contact us. Thank you for your time and consideration.

CITYGATE ASSOCIATES, LLC
Folsom (Sacramento), CA
Management Consultants

Proposal to Perform a Fire Department Standards of Cover and Staffing Utilization Study

City of Pearland, TX

June 28, 2016

2250 East Bidwell St., Ste #100 Folsom, CA 95630
(916) 458-5100 Fax: (916) 983-2090 admin@citygateassociates.com

CITYGATE ASSOCIATES, LLC
FIRE & EMERGENCY SERVICES

2250 East Bidwell Street, Suite 100 ▪ Folsom, CA 95630 ▪ PH 916-458-5100 ▪ FAX 916-983-2090

June 28, 2016

Young Lorfing, TRMC, City Secretary
Office of the City Secretary, Suite 262
City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

EXECUTIVE SUMMARY

RE: PROPOSAL TO PERFORM A FIRE DEPARTMENT STANDARDS OF COVER AND STAFFING UTILIZATION STUDY FOR THE CITY OF PEARLAND, TEXAS

Dear Mr. Lorfing:

Citygate Associates, LLC is pleased to present our proposal to the City of Pearland to perform a Fire Department Standards of Cover and Staffing Utilization Study. This introductory letter explains why Citygate is one of the most experienced and reliable fire deployment and operations consultancies in the U.S.

SUMMARY OF EXPERIENCE

A Standards of Response Coverage (SOC), or deployment study, is the multi-step process used to determine fire station locations and crew/apparatus staffing to meet the unique needs of a community. Chief Stewart Gary, our Public Safety Principal, literally "wrote the book" on SOC studies. He was the lead author on the ***2nd and 4th*** editions of the official manual for Standards of Response Coverage by the Commission on Fire Accreditation International (CFAI).

We have an extensive background in fire and emergency services consulting, specifically in fire department deployment, staffing and headquarters assessments, and financial analysis/strategies. Over the last 15 years, Chief Stewart Gary and his team of subject matter experts have performed over 280 fire services studies across the U.S.

Citygate has fire services deployment experience in states across the U.S., such as Texas, New Mexico, Oklahoma, Arizona, Utah, California, Minnesota, New York, Ohio, Iowa, Oregon, Idaho, and Washington. We are very familiar with fire and EMS services delivery in Texas. We recently began a review of marine firefighting risk and response assets for the Port of Corpus Christi. Previously, we conducted a Standards of Cover study for the City of Georgetown, TX that involved determining fire station staffing infrastructure triggers for additional resources and determining financing strategies and order-of-magnitude costs for additional stations. We also conducted a Fire Master Plan and Standards of Coverage study for the Travis County Emergency

Services District #6, which provided a long-range plan to address fire services at planned build out of the community. This resulted in planning the location of two additional fire stations and a centrally-located training facility. Citygate has broad experience with the service delivery challenges across numerous fact patterns and regulatory environments.

Also, in recent years, Citygate has executed many of the largest fire service studies we know of, including the counties of San Diego (57 agencies) and El Dorado (14 agencies), the cities of San Diego, San Jose, Oakland, Stockton, San Bernardino, Pasadena, the Sacramento Metropolitan Fire District, and the Ports of Long Beach and Los Angeles.

As the City of Pearland will learn from our references, Citygate has an outstanding track record with our clients. We strongly encourage the City to call our key project references—they are *golden*. As the County of San Diego former CAO stated: "*We work with consultants, obviously, all the time, but the work that Citygate did on this report is some of the best I've seen in my tenure here*." (Watch the video clip at this link: www.citygateassociates.com/sdcountyvideo)

This is not an isolated comment by one client, rather it is the rule. Time after time our clients say at the end of public presentations, "this was the best report/study on fire services we have ever received and now we finally understand the issues and choices…" Our studies have always been accepted by both labor and management as being an accurate representation of the factual issues and policy choices available within best practices and local resources.

CITYGATE ASSOCIATES KEY STRENGTHS

The City is not hiring a "firm," but rather professional individuals who have qualifications matching the client's unique needs. Our team members are the practice specialists in their fields; the City is not going to work with less skilled, entry- or mid-level consultants. Citygate's team also has the diversity of experience to deal with *all* of the elements necessary in this project.

Citygate's Public Safety Principal and Project Director, *Stewart Gary*, was the lead author on the 2nd through 4th Editions manual for Standards of Response Cover systems approach to deployment for the Commission on Fire Accreditation International. Chief Gary has developed this material, taught it, and used it in consulting across the U.S. and Canada for fourteen years.

Chief Gary will be assisted by Chief Robert Meyer, who is an Accreditation Peer Team leader for a decade, and has a wealth of staffing and headquarters services and risk assessment expertise, both in assessment and implementation.

Citygate and Chief Gary have also developed a fire deployment study team that consists of the best, most experienced GIS and statistical analysts on Standards of Response Cover methods to be found in the United States today. For over ten years Citygate has partnered exclusively with The Omega Group (geographic mapping) and Animated Data, Inc. (producer of the StatsFD™ statistical analysis tool).

Citygate is an independent company, and is not co-owned or under the control of any professional or standards-setting organization in fire services or government management. We

believe this makes Citygate increasingly unique and, as such, allows us to provide the most neutral, best practices advice available fitting your local needs.

* * *

Citygate acknowledges that it has sought out and received all addenda related to this RFP published on the City's website.

Citygate has detailed minor deviations from the City's requested Scope of Work in Section III of our proposal.

As President of the firm, I am authorized to execute a binding contract on behalf of Citygate Associates, LLC. Please feel free to contact me at our headquarters office, located in Folsom, California at (916) 458-5100, extension 101 or via e-mail at **dderoos@citygateassociates.com** if you wish further information.

Sincerely,

David C. DeRoos, MPA, CMC
President

cc: Project Team

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PART I—BUSINESS ORGANIZATION

I.1 CITYGATE ASSOCIATES FIRM INFORMATION

Citygate Associates, LLC, founded in 1990 and located in Folsom, California, is dedicated to assisting public sector agencies to improve services. Citygate's Public Safety Services practice area specializes in Fire/EMS deployment and station location analyses, master and strategic plans, fiscal studies, consolidation feasibility analyses, organizational efficiency studies, risk assessment studies, performance audits, staffing studies, and GIS for cities, counties, and districts throughout the United States.

"We work with consultants, obviously, all the time, but the work that Citygate did on this report is some of the best I've seen in my tenure here."

-Former San Diego County CAO

I.2 BUSINESS ORGANIZATION

Citygate Associates, LLC
2250 East Bidwell Street, Suite 100
Folsom, CA 95630

Citygate Associates, LLC is solely owned and operated, and is not a subsidiary or subordinate of any organization. Citygate is fully licensed and incorporated in the state of California.

PART II—PROJECT CONCEPT AND SOLUTION

II.1 OVERVIEW OF PROJECT CONCEPT

Citygate's Work Plan to provide a comprehensive fire department Standards of Cover and Staffing Utilization Study is needed to help determine how to best staff and equip the Department in order to meet its mission in light of rapid and anticipated continued growth. Citygate understands that the Department requires a performance review of the current delivery of all Fire Department services, as well as recommendations to ensure service delivery meets current best practices.

Chief Gary and his team of subject matter experts have performed fire deployment and station location studies for over 120 agencies; his deployment studies have served over 14.5 million residents.

As such, our Work Plan addresses all facets of fire and non-fire operations, including, but not limited to, Fire/EMS operations, investigations, emergency management, community outreach, and code enforcement. This study is specifically designed to analyze the City's current budgeted resource capacity, the utilization and allocation of those resources, and will provide recommendations for resource utility to assure the City has the right resources performing the right services to ensure the City's strategic objective of providing a safe community for its residents.

Citygate's objectives for this study match those of the City. In executing this important analysis, Citygate will:

- Assess community fire and non-fire risk.
- Define baseline emergency response performance standards.
- Plan future station locations.
- Determine apparatus and staffing patterns.
- Evaluate workload and ideal unit utilization.
- Measure service delivery performance.
- Support strategic planning and policy development relative to resource procurement and allocation.

To achieve these objectives, Citygate will:

- Review current Fire Department demands, including calls for service, day and time of calls, response times, and geographic distribution of incidents.
- Review Department resources to include fire stations, apparatus, administrative and training facilities.
- Provide recommendations on improvements to Department shifts, assignments, etc., which will maximize efficiency and effectiveness.
- Conduct a community risk assessment.
- Conduct critical task analysis for Fire and EMS incidents.
- Conduct a distribution study to evaluate type and number of resources placed throughout response area.
- Conduct a concentration study to determine resources needed in relationship to community risks.
- Develop performance measures and service level objectives.
- Review current demands for administrative staff to include Chief Officers, training, logistics, administrative support, and Human Resources functions.
- Review supervisory workloads and span of control and make recommendations for supervisor staffing within the Department.
- Gather information on local community expectations regarding perceptions of fire safety, emergency medical response, health, and sanitation issues.
- Recommend a methodology for the calculation of Fire Department staffing needs that can be updated and replicated by city and Fire Department staff in the future.
- Provide recommendations regarding three to five year staffing projections based on community and Fire Department goals.
- Take into account the Pearland Fire Department Strategic Plan.

II.2 Review Scope of Work—Our Solution

Citygate has prepared a hybrid SOC/staffing utilization study that accomplishes all the tasks and objectives the City has identified in its RFP. We believe there is significant merit in performing both the SOC and staffing utilization study together because the Fire Department headquarters team supports the deployment response. Similarly, evaluating the deployment staffing and response time effectiveness helps determine the headquarters program staffing and service needs.

Based on our experience conducting nearly 300 fire studies, most of which have included an SOC or staffing utilization study (or both), we believe this provides the City with the most clear, responsive, and cost-effective approach.

II.2.1 Standards of Cover Study

Citygate will conduct our Standards of Cover Study in conjunction with the Staffing Utilization Study. Citygate's Standards of Cover study will:

- Using Commission for Fire Accreditation International (CFAI-CPSE) best practices, conduct a resource deployment, Standard of Cover analysis with geographic mapping and incident response statistics for all types of emergency response services from dispatch and fire incident data reporting systems.
  - Citygate will use fire department analysis geo-mapping software to analyze current and future fire station locations by driving time.
  - Citygate will use an incident response time analysis program called StatsFD™ (formerly NFIRS 5 Alive™) to review the statistics of actual historical performance.
- Utilize National Fire Protection Agency (NFPA), Insurance Services Office (ISO), and CFAI criteria as needed and, importantly, our experience across a large number of agencies.

SOC Methodology

The study will use the following eight elements in the Standards of Response Coverage process. These elements address each requested component of the Standards of Cover Study described in the RFP, except items 1.c.h-1.c.k, which will be included in our staffing utilization analysis.

1. Existing deployment – each agency has something in place today.
   - The Citygate team will understand existing deployment strategies and performance measures. Our review will evaluate the history of the delivery system, points of service delivery, the resources deployed, staffing, and capabilities.
   - This study will provide the City with updated response performance goals from which it can adjust, if needed, the quantity, staffing, and location of fire stations with a clear understanding of the cost of changes.
   - While this is not a study of fire departments adjacent to the City, the study will consider the impacts of the City's existing or potential mutual aid agreements on its needs.

- We will review the following deployment-related services provided by the Department:

  a. Fire

  b. Emergency medical services

  c. Rescue

  d. Hazardous materials

  e. Wildland

  f. Swift/still water rescue

  g. Service Calls

2. Community outcome expectations – what is expected of the response agency?

   - Citygate will update the City's expectations for fire, EMS, and special hazard responses.

3. Community risk assessment – what assets are at risk in the community?

   - Citygate will determine an all-hazard risk assessment for the community, at a zone level, using community zoning information, Insurance Service Office (ISO) building risk information, occupancy data, hazard mitigation planning, population demographics, and planned growth plans.

   - We will assess risk in relation to Fire and EMS response and the consequences to life safety/economic impact if risks are not mitigated. We will also assess:

     a. Geospatial characteristics of risk area.

     b. Physical assets protected.

     c. Demographics.

     d. Topography.

     e. Transportation network.

     f. Development and population growth.

     g. Calls for service: types, locations, frequency, probability.

     h. Personnel resources: Critical task analysis, specialty training requirements, staffing.

- To appropriately set risk expectations, we will compare risk to similar fire and EMS organizations and industry best practices.

4. Distribution study – the locating of first-due resources (typically engines).

   - Citygate will use the *FireView*™ software GIS mapping tool to study the effectiveness of existing station locations to understand the existing deployment system performance and test proposed service measures by risk types in different zones for first-due, all-risk units. This analysis will evaluate the ability of first-due resources to minimize and terminate average, routine emergencies.

5. Concentration study – first alarm assignment or effective response force studies.

   - We will assess the arrangement of multiple resource spacing to determine how an effective response force can be assembled at the scene within the adopted public policy time frames. We will assess whether the initial effective response force can prevent escalation of the emergency for the risk posed.

6. Historical reliability – is there a multiple call frequency issue (call stacking) problem?

   - Citygate will analyze incident data to determine if multiple calls are affecting performance. This work will be done with our *StatsFD*™ software tool.

   - We will assess the Department's ability to meet performance expectations even if resources are committed on an existing incident.

7. Historical response effectiveness studies – what percent of compliance does the existing system deliver?

8. Overall evaluation with updated Standard of Cover statements by risk type, as needed.

   - Citygate will advise on a revised Standard of Cover set of policies.

   - Citygate will identify changes in deployment, if desirable, along with likely timing.

   - The recommended performance goals will be consistent with national guidelines from the National Fire Protection Association (NFPA), the Commission on Fire Accreditation International (CFAI-CPSE), and the Insurance Services Office (ISO).

II.2.2 Staffing Utilization Study

In conjunction with our Standards of Cover Study, we will assess the Department's staffing utilization. We utilize the Commission for Fire Accreditation International (CFAI-CPSE) 9th Edition Fire Emergency Service Self-Assessment Manual (FESSAM) as a basis for recommendations for staffing and administrative support functions. Citygate *routinely* performs fiscal, organization, operational, and staffing analyses.

Elements traditionally completed in a Standards of Cover Study, such as a community hazard analysis or a distribution/concentration/reliability study, will not be included in our stand-alone staffing utilization analysis. However, as indicated, we are willing to modify our proposed approach and cost as needed to achieve the precise needs and expectations of the City.

Our assessment will include, but will not be limited to:

- Fire/EMS operations
- Fire inspections and fire code enforcement
- Fire and arson investigation
- Plan reviews
- Community education and outreach
- Health and safety code enforcement
- Training
- Logistics and fleet maintenance
- Administration
- Emergency management
- Organizational design, including:
    - a. History of delivery system
    - b. Staffing
    - c. Capabilities
    - d. Governance
    - e. Budget, funding sources, financial resources.

For each of the listed functions, Citygate will assess:

- Staffing levels and deployment
- Organizational structure

- Workload
- Scheduling
- Accountability
- Position quantities
- Redundancy and overlap of responsibilities.

Citygate will also assess and make recommendations regarding leave management, overtime management, recruiting and retention, scheduling, and planning.

II.3 CITYGATE REVIEW TECHNICAL COMPONENTS

In addition to the customary techniques of reviewing agency documents and conducting stakeholder listening interviews, Citygate will:

- For the Standards of Cover Study:
  - Utilize advanced GIS mapping tools for response time coverage models using The Omega Group to prepare analysis maps of the Department's deployment situation.
  - Apply advanced visualization of incident statistics demand in *StatsFD*™ and Google Earth, which no other company can offer. We use an incident response time analysis program called *StatsFD*™ to review the statistics of prior incident performance. The results will be plotted not only on graphs and charts, but "live" using 3D tools over Google Earth images.
- For the Staffing Utilization Analysis:
  - Assess Fire Department member perceptions and expectations of Fire Services – issue SWOT questionnaires to *employees* (**S**trengths, **W**eaknesses, **O**pportunities & **T**hreats) and as appropriate, other agency employees that interact with the Fire Department to listen to what the perceptions of the Department are and how it is or is not meeting needs.
  - Use the Commission on Fire Accreditation International self-assessment criteria and National Fire Protection Association Standard 1201, *Standard for Providing Emergency Services to the Public* as performance indicators and other State of Texas and NFPA standards as the basis for evaluating non-response-related services, such as fire prevention, training, and administration. The study will identify the current workload, staffing, and facilities, and compare these current services to current and forecasted workloads in the Department.

PART III—PROJECT PLAN

III.1 PROJECT PLAN SUMMARY

We applaud the City's effort to ensure the study objectives are met and in the best interest of its desire to provide a safe community. Citygate routinely performs SOCs, staffing studies, and hybrid studies including both. A summary of our major tasks for this project follows:

Combined Hybrid Study Work Plan Overview	
Task 1:	Initiate and Manage the Project
Task 2:	Standards of Response Cover (Deployment) Review of the Fire and Emergency Medical Services Delivery System
Task 3:	Stakeholder Meetings and Documentation Review to Analyze Staffing Utilization
Task 4:	Conduct a Mid-Project Review
Task 5:	Forecast Resource Needs; Conduct Final Service Delivery Models and Prepare Integrated Draft Report
Task 6:	Prepare and Deliver the Final Report with Executive Summary, Recommendations, and Costs

III.2 WORK PLAN TASK SEQUENCE

Our Work Plan is comprised of six (6) tasks and is detailed throughout this section.

We intend to review our Work Plan and schedule with the Department project team prior to beginning work. After obtaining additional input, we will finalize our Work Plan and the accompanying schedule.

Citygate's Work Plan has been developed consistent with our Project Team member's experience in public management and fire administration. We utilize various National Fire Protection Association (NFPA) publications as best practice guidelines, the Insurance Service Office (ISO), along with the self-assessment criteria of the Commission on Fire Accreditation International. We do not use simple, nor one-size-fits-all measures. We will also ensure that local and regional guidelines are included in our analysis.

Task 1: Initiate and Manage the Project

Subtasks

- Develop detailed Work Plan schedule for the project.
  - We will develop a detailed work schedule and final project schedule for the project. These tools will assist both the consultants and Department staff to monitor the progress of the study.

- Meet with Department staff representatives to initiate study.
  - A key to a successful consulting engagement is a mutual understanding of the project's scope and objectives. The senior members of our team will meet with the Department representatives to correlate our understandings of the study's scope, and ensure that our Work Plan and project schedule are mutually agreeable. In our experience, this early effort to clearly define expectations, roles, and lines of communications results in a better focus on substantive issues as the engagement progresses.
- Obtain and review City/Department documentation.
  - We will develop and submit a list of all documents relevant to this project, including the City's General Plan, growth forecasts, any appropriate prior studies, Fire Department documentation including (as available) dispatch data, fleet inventory, facility condition assessments, current personnel, equipment, other operating costs, and a myriad of other information. Once we receive the requested documentation from the Department, we will review it prior to conducting our interviews in the following subtask. We have found that reviewing this information prior to our interviews improves the effectiveness and value of the interviews we conduct because it results in more specific questions and more definitive information.
- Interview Department leadership and Fire Chief.
  - To enhance our understanding of the issues at stake, we will meet with, as appropriate and if directed, the City Council members and Fire Chief, as well as members of the City staffs who frequently interact with or have an interdependent relationship with the Fire Department.
- Interview Fire Department staff.
  - To enhance our understanding of the issues at stake, we will meet with, as appropriate and directed, the members of the Department.

Meetings

There will be one on-site trip of two days for two Citygate team members during this task to kick-off the project, establish relationships, conduct stakeholder interviews, and set the information gathering into agreement and motion. Chief Gary will facilitate City Hall and community stakeholder interviews, as well as gain a greater understanding of field deployment needs. Chief Meyer will conduct headquarters personnel interviews, including fire prevention and code enforcement. He will also work with fire management staff on the risk assessment portion of the project.

Written Deliverables

Citygate will prepare and present a document request list prior to the first on-site meetings, and will deliver a final, mutually-accepted project schedule.

Task 2: Standards of Response Cover (Deployment) Review of the Fire and Emergency Medical Services Delivery System

Subtasks

- Conduct a complete Standards of Response Cover (SOC) study to include all items described in Section II.2.1 of this proposal. This review will consider existing station locations, using geographic mapping and prior incident response statistics to measure the effectiveness to desired goals of the current deployment plan.
- The SOC review will begin with a risk assessment of values at risk in the City to be protected. This assessment will include zoning, population demographics, Insurance Service Office (ISO) commercial building inventory information and target hazards identified by the Fire Department, to name a few.
  - Chief Gary will conduct the deployment review, with the assistance of Michael Fay (Statistical Specialist) and The Omega Group (GIS Specialist). Chief Meyer will assist with the risk assessment component.
  - Citygate strongly encourages the Department to focus on the value of this step as a "study within the study." Citygate submits that a full GIS and statistical review of its deployment system will provide a solid foundation for the staffing utilization analysis steps. The headquarters team size must fit the needs of the total number of fire station personnel who need training, management, and logistical support.
  - When this step is complete, the findings and recommendations will be integrated into the Draft and Final SOC and Staffing Utilization Analysis documents which is presented in Tasks 5 and 6. Citygate will consider any results of Task 2, such as a need for increased or re-located stations that might influence Task 3.

Essential to Citygate's analysis will be the use of geographic mapping and statistical software programs. Details of the two software programs utilized in this study are described below.

FireView Desktop

The Omega Group provides precision data and response modeling services with Citygate for GIS-based analysis of department, station, unit coverage, and gaps in service. For over 15 years, The Omega Group has developed and applied response modeling techniques using GIS for fire departments across the US, to become the foremost authority in GIS-based response modeling services.

The Omega Group's *FireView* program enables understanding NFPA Standard 1710 compliance and ISO audits, as well as Standards of Cover, through the use of numerous data mining tools. The solution can be used to locate new stations, redistribute response areas, analyze station coverage, determine first-due areas, and run orders to better serve the City.

Features:

- Determine the estimated response zones and incident coverage by drive time or distance, calibrated to prior Pearland fire unit travel times.
- Investigate fire/EMS calls for service within any response area near, or at, an address or landmark such as an assisted living complex or retirement home.
- Query for incident activity by multiple categories such as call type, location type, unit, response time, date, or time in order to assess existing deployment strategies.
- Create density, hot-spot, and repeat calls maps to help isolate problem areas.
- Analyze response patterns.
- Pinpoint the number of stations able to respond within a specific response time at any location.
- Optimize the response capabilities of fire/EMS stations.
- Depict the average response time or total calls per hour graphically.

StatsFD

Using standard NFIRS 5 datasets, StatsFD quickly performs diagnostic analysis of dispatch and incident computer records. What sets StatsFD apart is not just producing graphs or tables, but its ability to model "animated over time" data to see trends over a measurement period, or to produce 3D workload models over Google Earth images of a service area. These visualizations help the analyst understand complicated data relationships while also providing elected officials with easy-to-grasp deployment explanations.

Meetings

There will be one on-site day by Chief Meyer to complete, in person, the stakeholder listening started in Task 1, and to further follow up on the specialty risks and the headquarters services programs.

Written Deliverables

No written deliverables are scheduled for this task.

Task 3: Stakeholder Meetings and Documentation Review to Analyze Staffing Utilization

Subtasks

- Conduct a complete Staffing Utilization Study to include all items described in Section II.2.2 of this proposal. Across the two on-site trips in Tasks 1 & 2, and during follow-up phone interviews, Citygate will interview Department personnel and allied stakeholders to analyze staffing utilization in the Department, as well as outside stakeholder expectations.
- We will request considerable departmental documents and data measurement records from the Department to enable an in-depth understanding of current division or bureau staffing, workloads, costs, and needs.
- We will review Department area growth information and project future expectations on the Department support services.
- Citygate will use focused interviews of City and Fire Department members to compare the records-based review with the perceptions of the actual workforce.
- We will issue SWOT questionnaires (Strengths, Weaknesses, Opportunities, and Threats) to gain feedback on specific program areas.
- Once the staffing utilization analysis is completed, Citygate will then combine the administrative bureau performance capacities with the field deployment review to build integrated findings, recommendations, and implementation costs.

Meetings

Site meetings are in Tasks 1 & 2. Follow-up interviews in this task are by phone and/or Skype video conference.

Written Deliverables

Draft and delivery of our preliminary findings and opinions.

Task 4: Conduct a Mid-Project Review

Subtasks

- Conduct mid-project review with Fire and City Executive Management.
  - With most past engagements we have found it profitable, upon the completion of the initial SOC and staffing utilization analysis work, to conduct a mid-project review before writing the Draft Report. The purpose of this review is to meet with the client and principal staff to review the conclusions and tentative recommendations coming out of these two studies. This will also be an opportunity for the Department and consultant to perform fact-checks and make any mid-course corrections before additional work occurs.
  - Citygate will prepare an in-depth PowerPoint briefing to include our initial observations, findings, and proposed recommendations. This briefing will include all supporting exhibits such as maps and statistics exhibits. Three such sample visual exhibits as presented in Section III.7.
  - Chief Meyer will brief the City's leadership team on-site and Chief Gary will attend via conference call regarding our working opinions.

Meetings

There will be one on-site meeting with Chief Meyer to review the project's initial findings.

Written Deliverables

For the mid-project review, Citygate will present a draft Incident Statistics document, a draft Map Atlas document, as well as a PowerPoint presentation. This will also be an opportunity for the Department and consultant team to perform fact-checks and make any mid-course corrections before the Draft Report is written.

Task 5: Forecast Resource Needs; Conduct Final Service Delivery Models and Prepare Integrated Draft Report

Subtasks

- The entire Citygate team will prepare a comprehensive long-range SOC and Staffing Utilization Draft Report in several volumes (main report, statistical appendix, and map atlas). In the SOC and Staffing Utilization Draft Report, we will:
  - Summarize the strengths of the Department and opportunities for improvement.
  - Present a review of how our approach and analyses were conducted.
  - Describe major findings by departmental service delivery area.
  - Present an explanation of improvements we identified, and our integrated recommendations for their resolution in order to improve operations.
  - Describe a methodology for monitoring implementation status.
- Upon completion of the SOC and Staffing Utilization Draft Report, an electronic version in MS-Word will be sent to the Department project manager for comments using the "track changes" and "insert comments" tools in Word. Our normal practice is to review a draft of our report with management personnel to ensure that the factual basis for our recommendations is correct and to allow time for a thorough review. In addition, we take time to discuss any areas that require further clarification or amplification. It is during this time that understandings beyond the written text can be communicated.

Meetings

We will schedule a teleconference meeting with the Department leadership to discuss and fact-check the SOC and Staffing Utilization Draft Report, answer any questions, and agree on elements for the Final Report. Chiefs Gary and Meyer will conduct this meeting.

Written Deliverables

Citygate will deliver the full Draft Report for the SOC and Staffing Utilization Study.

Task 6: Prepare and Deliver the Final Report with Executive Summary, Recommendations, and Costs

Subtasks

- The process of Final Report preparation is an important one. Implicit in this process is the need for a sound understanding of how our review was conducted, what issues were identified, why our recommendations were made, and how implementation should be accomplished.
- Prepare Final Report and oral presentation.
  - Based on the results of our Draft Report review process, we will then prepare an Executive Summary and a Final Report to the City Council, City Administration, and Fire Department. Chief Gary will make an oral presentation using a PowerPoint presentation to the Fire Department, City Administration, and/or City Council as and if directed.

Meetings

There will be one on-site trip to make an oral presentation of the Final Report to the City Council or a group of the Department's choosing. Chief Gary will conduct this presentation.

Deliverables

Citygate will deliver the full Final Report for the SOC and Staffing Utilization Study.

III.3 Final Report Components

Citygate's combined, multi-volume SOC and Staffing Utilization Final Report will include:

1. An analysis of the efficiency of the current deployment scheme of resources and its Department's fire stations.
2. An analysis of the Fire Department's ability to meet the listed standards.
3. If required, recommendations for changes in fire deployment methods to meet the current needs of the Department and to optimize service delivery.
4. A comprehensive analysis of current Department services and staffing in the support bureau areas such as administration, training, fleet management, communications, emergency services, prevention and public education, and EMS will be delivered.

5. The staffing utilization analysis will be combined with a forecast of future demands into a multi-year staffing and services plan.
6. Provision of supporting data and rationale for all recommendations.
7. Provision of supporting statistics and other visual data to fully illustrate the current situation and consultant recommendations. This information shall be provided in both hard copy format and computerized format with accompanying Microsoft PowerPoint presentation.

III.4 Study Components With Which the Department Must Assist

The Department is in the best position, and has the best capability, to provide most, if not all, of the internal data needed to complete the scope of work required for this project. Therefore, Citygate anticipates that the Department will assist with this project by:

- Providing electronic incident response data in a format requested by Citygate.
- Returning SWOT (Strengths, Weaknesses, Opportunities, & Threats) forms provided by Citygate for the various non-operational functions in a timely manner to keep the project on schedule.
- Via a document request questionnaire issued by Citygate, submitting existing Department documents describing its organization, services, budgets, expenses and performance measures, if any. This questionnaire is extensive, and will require each Department Division manager to produce *existing* documents about their operations, including workload measures and demand forecasts as available. Most Division managers and or members need approximately 4-8 hours to complete this work. This has the most intensive impact on departmental personnel to the entire project, other than on-site meeting time and draft report fact checking.
- Providing other Department data as requested by Citygate.

III.5 Project Schedule

Citygate anticipates this project will span six months. Citygate is available to start the project immediately upon the award of a contract. A Work Plan schedule is presented below:

Work Plan Timeline—Hybrid SOC and Staffing Utilization Analysis

Task	Month 1				Month 2				Month 3				Month 4				Month 5				Month 6			
1: Initiate and Manage Project			●																					
	1		2		3				3				3				3				3			
2: Standards of Cover Deployment Study			◌																					
			4																					
3: Staffing Utilization Analysis																								
						5																		
4: Mid-project Review												●												
												6												
5: Forecasting and Draft Report																								
																			7					
6: Prepare and Deliver Final Report																								●
																								8

● On-site meeting

1. Issue Document Request
2. Project Kick-Off & Interviews
3. Monthly Status Report
4. Conduct In-Depth Interviews
5. Issue SWOT Survey
6. Conduct Mid-Project Briefing (Deliverable)
7. Submit Draft Report (Deliverable)
8. Submit and Present Final Report

III.6 MEETING SCHEDULE

Task 1 – Two days; two Citygate staff

Task 2 – One day; one Citygate staff

Task 4 – One day; one Citygate staff

Task 6 – One day; one Citygate staff

Total – Five on-site days; seven person days

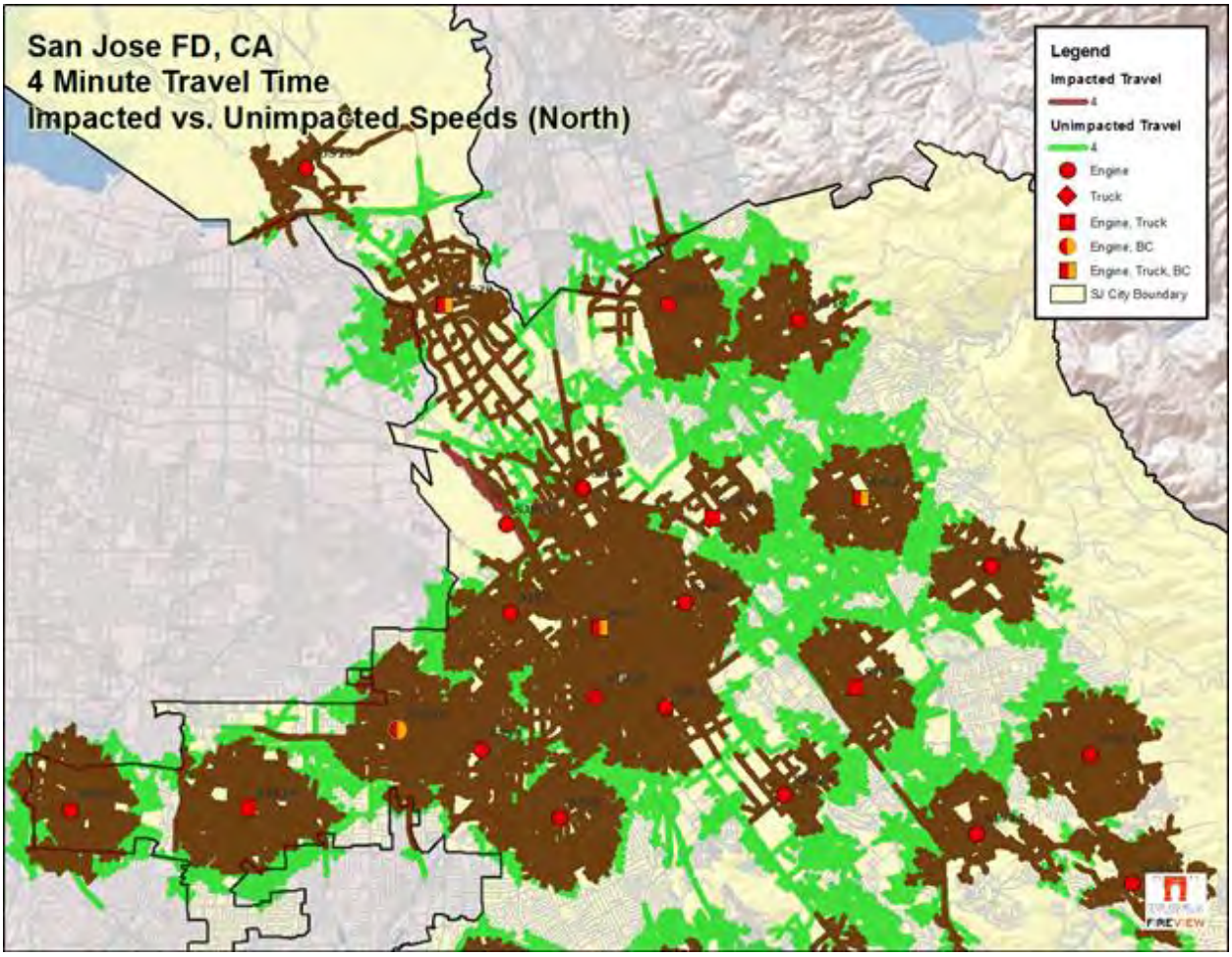
III.7 WORK PRODUCT SAMPLES

The following are real work samples from Citygate reports that demonstrate some of the unique capabilities we can offer to the City as part of our analyses.

III.7.1 Congested vs. Non-congested Travel

Citygate Associates is the first consultancy in the United States to utilize traffic congestion data from which to model rush-hour impacted fire apparatus travel times. This is the same data used on the internet to display traffic congestion by coloring road networks either green, yellow, or red. If utilized, this capability launches the City to the leading edge of public safety service delivery. Few service providers in the country have utilized this level of detail to understand response time challenges in delivering a desired service level to their residents, employers, and visitors. This option has been proposed in our approach for the City of Pearland at additional cost if requested by the City.

Figure 1—Congested Vs. Non-Congested Travel



III.7.2 Unit-Hour Utilization

If your units are over utilized, they are increasingly subject to reduced response availability. Citygate always provides detailed information regarding the utilization of each public safety unit by the hour of the day.

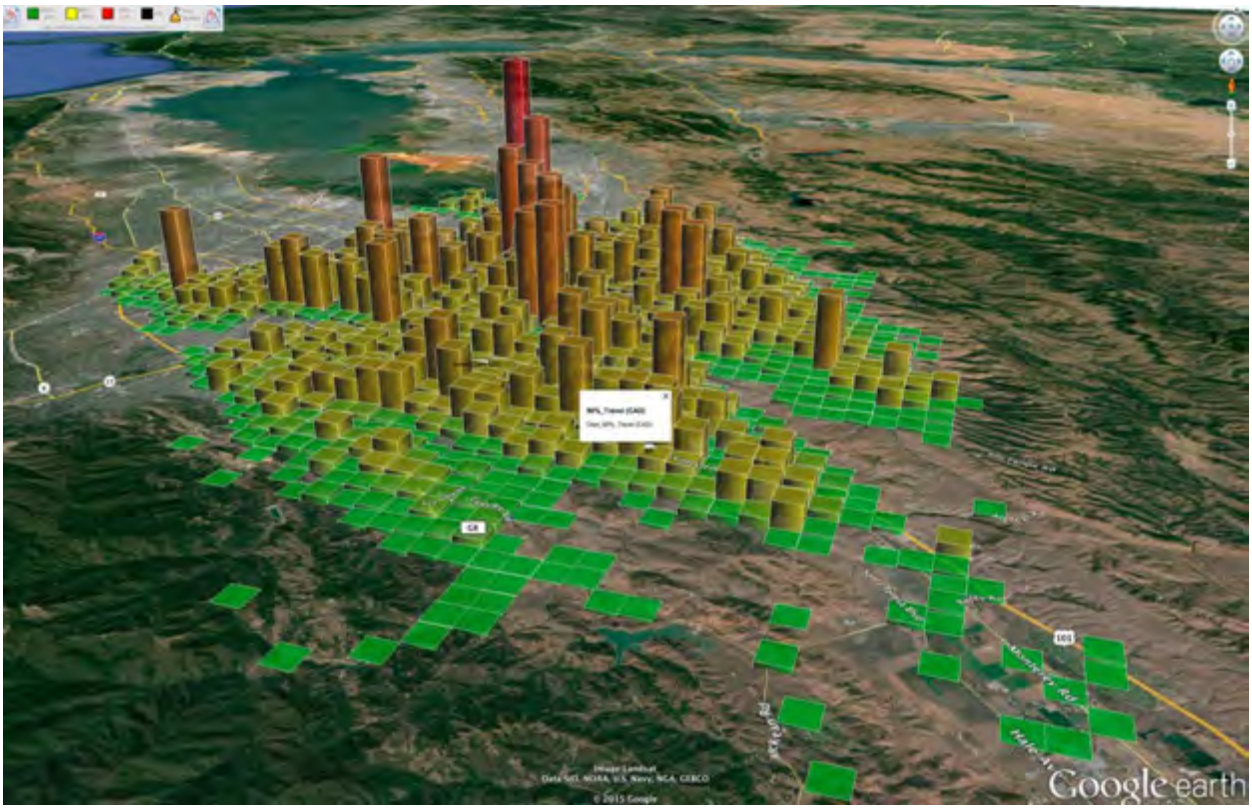
Table 1—City of Orange Unit-Hour Utilization

Hour	R5	R3	R4	E1	E5	E3	E4	E6	E2	T1	T8	E7
00:00	18.37%	11.51%	13.90%	7.81%	10.26%	11.19%	6.81%	4.72%	5.31%	1.97%	2.08%	4.82%
01:00	12.25%	12.47%	10.32%	5.28%	5.66%	6.24%	5.11%	4.21%	5.19%	1.72%	1.14%	1.61%
02:00	12.77%	10.43%	9.50%	4.73%	4.03%	5.13%	5.28%	5.22%	4.63%	2.72%	1.48%	1.56%
03:00	8.72%	6.50%	9.33%	3.89%	2.54%	3.85%	4.34%	2.89%	3.40%	1.04%	1.28%	0.90%
04:00	10.60%	7.30%	6.28%	4.03%	3.50%	4.20%	4.54%	3.65%	2.84%	1.34%	0.57%	1.26%
05:00	11.44%	9.55%	10.53%	5.89%	4.71%	5.11%	5.17%	4.21%	3.46%	2.08%	0.94%	1.09%
06:00	11.25%	10.21%	13.31%	6.25%	5.48%	6.18%	6.62%	1.84%	4.42%	2.50%	0.88%	1.22%
07:00	20.73%	12.66%	18.96%	7.29%	9.26%	6.40%	9.36%	7.29%	7.93%	5.63%	1.79%	3.44%
08:00	22.55%	24.98%	19.41%	9.18%	8.83%	8.07%	8.51%	8.01%	12.11%	4.18%	4.49%	3.97%
09:00	30.18%	26.65%	26.12%	12.59%	13.63%	13.12%	13.02%	8.55%	9.44%	6.12%	4.66%	3.27%
10:00	31.00%	28.00%	27.15%	16.15%	13.93%	10.53%	11.81%	10.53%	11.21%	5.25%	4.95%	4.03%
11:00	32.20%	25.13%	29.45%	14.07%	15.07%	12.26%	10.96%	9.83%	9.30%	4.47%	5.62%	11.44%
12:00	31.61%	30.99%	26.08%	15.21%	13.51%	13.85%	14.42%	8.20%	12.45%	5.33%	6.67%	5.52%
13:00	32.26%	23.78%	29.57%	16.28%	15.41%	10.91%	13.31%	11.26%	7.09%	3.74%	4.56%	5.13%
14:00	30.58%	28.49%	27.12%	15.47%	14.38%	12.62%	11.70%	13.30%	11.64%	4.17%	5.36%	5.69%
15:00	31.02%	25.84%	29.58%	13.44%	10.77%	14.28%	13.77%	11.88%	9.16%	7.58%	6.20%	5.21%
16:00	30.05%	22.41%	28.23%	15.58%	11.88%	13.38%	13.26%	11.74%	12.92%	3.65%	4.16%	5.52%
17:00	32.51%	27.15%	23.99%	15.29%	14.60%	13.00%	12.38%	12.16%	10.30%	4.33%	4.08%	4.20%
18:00	27.64%	21.69%	25.77%	14.17%	16.00%	11.40%	13.91%	9.22%	8.40%	6.50%	3.96%	4.57%
19:00	26.54%	22.25%	24.78%	12.75%	10.48%	11.45%	12.05%	11.51%	9.44%	5.26%	3.08%	3.11%
20:00	25.70%	26.02%	21.91%	13.39%	10.52%	13.17%	11.70%	9.22%	12.29%	6.54%	4.31%	3.31%
21:00	23.68%	16.74%	23.74%	9.92%	10.33%	7.31%	11.36%	12.14%	9.10%	4.29%	3.66%	1.64%
22:00	22.07%	15.22%	13.37%	9.83%	9.25%	6.22%	9.05%	7.47%	6.08%	4.16%	3.29%	2.40%
23:00	18.24%	10.56%	15.48%	7.90%	4.70%	5.77%	7.38%	6.12%	5.06%	2.21%	1.53%	2.29%
Overall	23.08%	19.02%	20.16%	10.68%	9.95%	9.40%	9.83%	8.13%	8.05%	4.03%	3.36%	3.63%
Responses	3,790	3,115	2,736	2,166	2,117	1,945	1,732	1,699	1,677	1,218	750	606

III.7.3 Response Time by Volume

Local policy choices regarding effective public safety are often difficult. When the City partners with Citygate, Department officials and residents will *clearly see and understand* the deployment information from which you must set policy.

Figure 2—San Jose Fire Department Response Time by Volume



III.8 PROGRESS PAYMENTS

Our policy is to bill monthly for professional fees. Our charges are based on actual time spent by our consultants at their established billing rates, plus a five percent (5%) administration charge in lieu of individual charges for copies, phone, etc. We also bill for travel expenses (at cost) incurred in the prior month's work. Our invoices are payable within thirty (30) days. Citygate's billing terms are net thirty (30) days plus two percent (2%) for day thirty-one (31) and two percent (2%) per month thereafter.

Ten percent (10%) will be deducted from monthly payments, to be paid upon final acceptance by the City.

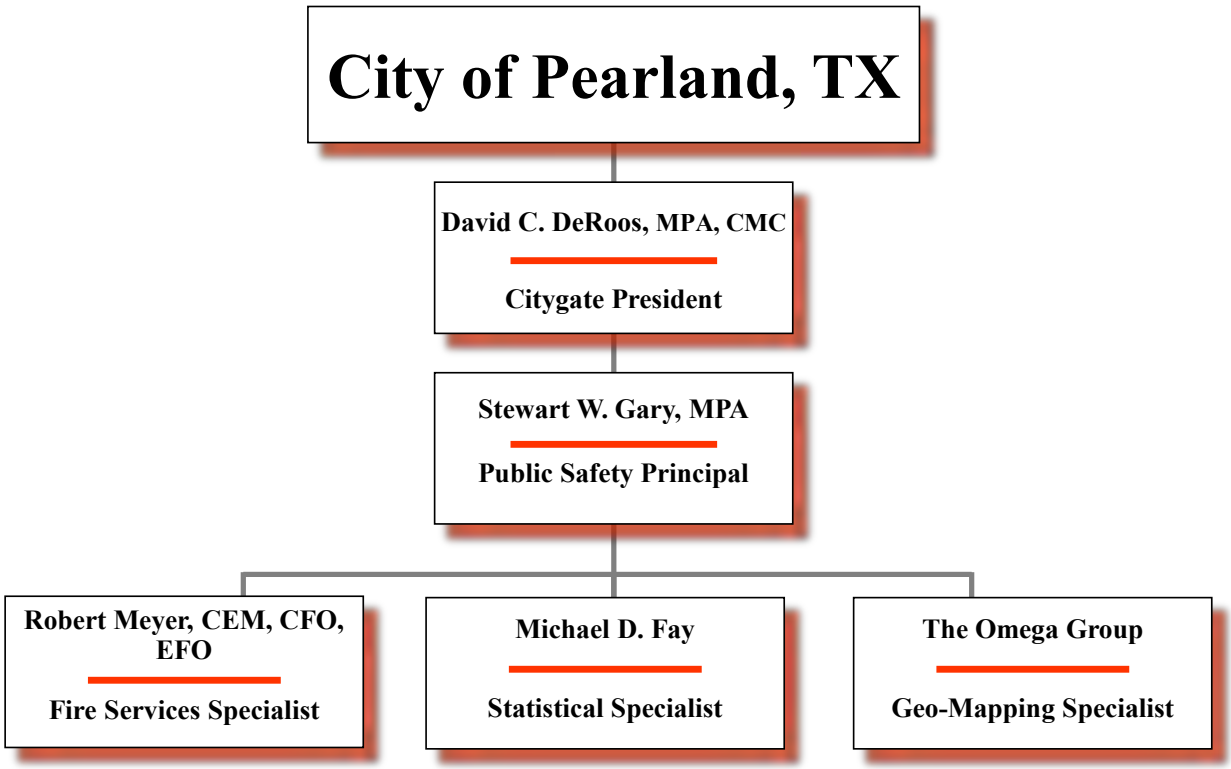
III.9 REQUIRED STATEMENT

Citygate Associates, LLC complies with all applicable rules and regulations of Federal, State, and Local governing entities. Citygate also complies with the specifications and terms of this RFP.

PART IV—PROJECT MANAGEMENT STRUCTURE

Citygate's project management structure is outlined in the chart below. The roles and reporting relationships of each of these team members are described in Part VI—Personnel. Citygate is involving two subcontractors: The Omega Group for GIS modeling (FireView) and Animated Data (StatsFD) for incident statistics analysis. Citygate Associates, LLC has worked with these two subcontractors as exclusive business partners for over 10 years. Citygate will carefully manage and review all work products provided by these subcontractors and ensure that work products are delivered on time and within the hours allocated.

Project Team Organization Chart



PART V—PRIOR EXPERIENCE

V.1 CITYGATE ASSOCIATES PROJECT EXPERIENCE

Citygate Associates, LLC, founded in 1990, is dedicated to assisting public sector agencies to improve services. Citygate's Public Safety practice area conducts deployment and station location analyses, staffing studies, master and strategic plans, consolidation feasibility analyses, organizational efficiency studies, risk assessment studies, performance audits, and GIS for cities, counties, and districts throughout the United States.

"We work with consultants, obviously, all the time, but the work that Citygate did on this report is some of the best I've seen in my tenure here."

-Former San Diego County CAO

V.2 CITYGATE'S PUBLIC SAFETY SPECIALIZATION AND HONORS

Citygate is the fire department Standards of Cover (SOC) methodology leader. Team members assigned to this project literally wrote the book on SOCs, and Citygate is the first consultancy in the nation to utilize traffic congestion data from which to model rush-hour impacted fire apparatus travel times.

Citygate's ability to help fire departments quantitatively improve service delivery is also evidenced by Citygate's Fast Response Squad (FRS) innovation for the City of San Diego. In a situation hindered by fiscal constraints and difficult-to-serve areas, the interim approach, developed by Project Team members assigned to this project, is reported to have improved response times by 30 percent in a recent pilot program, urging the Mayor and community to expand the effective, innovative effort.

Our methodology leadership is not limited to deployment; our fiscal and alternative service delivery acumen is also unparalleled. Citygate is the most relied upon firm to assist with fire department consolidation and JPA feasibility that we know of; we have conducted more than 35 such assessments. We have assessed the feasibility of a police/fire JPA, the first JPA of its kind, and Citygate's Public Safety Principal, Chief Stewart Gary, was awarded the Helen Putnam Award of Excellent and Innovation by the League of California Cities for his successful consolidation of the Livermore and Pleasanton Fire Departments. More information regarding this prestigious honor for innovation can be found here: http://www.helenputnam.org/

In addition, Citygate's understanding of the emerging fiscal complications in pre-hospital ambulance billing collection rates is unmatched. Citygate has been increasingly relied upon to untangle, and indeed re-write, billing and fiscal issues in government ambulance contracts due to the emerging impacts of the Patient Protection and Affordable Care Act. Counties such as

Monterey, Alameda, and Contra Costa have all turned to Citygate to assist with these urgent new matters, and the California Emergency Medical Services Administrators Association asked Chief Gary to present on them.

All of this means that if the City of Pearland selects Citygate for this important project, it can be confident that the service delivery findings and recommendations it receives will be thoughtful, leading-edge, and achieve quantitative results.

CITYGATE OFFERS RESULTS, NOT JUST REPORTS

City of San Diego, CA – *Standards of Response Coverage Deployment Study*

Project: Citygate conducted a fire service Standards of Response Coverage deployment study for the San Diego Fire Rescue Department (population over 1.25 million). The study broke new ground by determining the appropriate number of additional fire stations critically needed and then recommended 2-firefighter/paramedic-staffed Fast Response Squads for adaptive peak-hour deployment. The study independently reviewed in-depth the existing fire and emergency medical risks to be protected, the current and desirable response system to these needs, and recommended a best-fit solution to most effectively leverage the existing situation while allowing the development of an even-stronger regional response system to benefit everyone.

Outcome: The Fast Response Squad pilot program—a two-person firefighting crew stationed in the community—saw the average emergency response time in Encanto improve by 30 percent from July 1, 2014 to June 30, 2015, compared to the previous fiscal year. The average response time fell from seven minutes and 14 seconds in the 12 months prior to implementation to five minutes and five seconds with the Fast Response Squad. See more at: https://www.sandiego.gov/mayor/news/releases/20151028_ResponseTimes

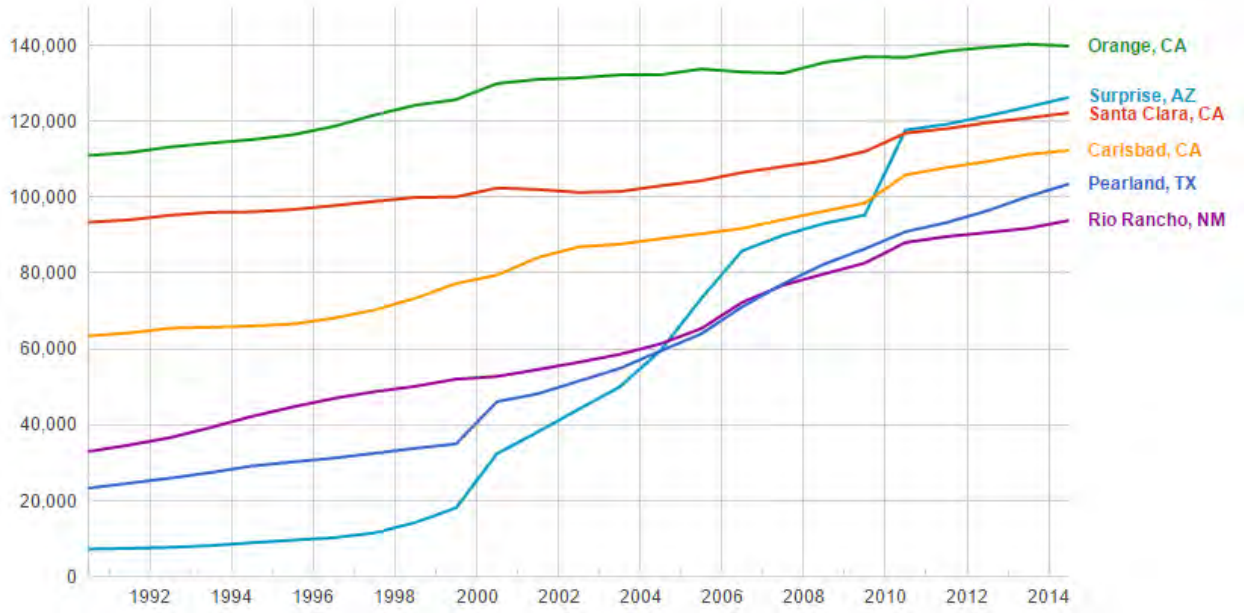
Testimonials: "I am very pleased with the improved response times in Encanto because of the Fast Response Squad, it's an interim solution for difficult-to-serve areas until full engine fire stations can be put in place." Myrtle Cole, San Diego City Council Member

"While we join the Mayor and Council in their commitment to get a full-scale fire station in Encanto and other underserved areas, response time improvements seen in Encanto clearly demonstrate that the Fast Response Squad can be an immediate asset to the community." Chief Javier Mainar, San Diego Fire-Rescue

V.3 SIMILAR COMPLETED ENGAGEMENTS

Citygate has completed many recent projects that are very similar to the deployment and staffing work requested in this study, in cities with similar populations. In fact, we have provided population and growth data for a selection of our prior experience here. Note that the growth rate in Surprise, AZ (280%) between 2000 and 2010 far exceeds that found in Pearland, TX (142%).

The Scope of Work in our SOC and Master Plan in Surprise, AZ project was very similar to that found in the City of Pearland's RFP, as were the Scopes of Work all of our five (5) references.



Below Citygate provides a description of our previous related fire services engagements. All projects listed in this proposal featured members of the Project Team proposed for the City of Pearland. Following the description of our related studies, we provide a summary listing of other related completed fire services engagements. Some of our publicly available sample reports can be viewed here: www.citygateassociates.com/firereports. For a more detailed list of Citygate's Fire Services projects, please visit our website at www.citygateassociates.com/fireexperience.

Santa Clara, CA – *Comprehensive Standards of Cover and Headquarters Staffing Adequacy Review*

Citygate assisted the City of Santa Clara (pop. appx. 120,245) Fire Department with a comprehensive Standards of Cover and headquarters staffing adequacy review. The efficacy and efficiency of fire and EMS service delivery models was assessed, and a forecast for headquarters staffing and services was developed. Completed in 2016.

*A copy of our Final Report for this project has been included as a separately bound document with this proposal.

Contact: Bill Kelly, Fire Chief
Address: 777 Benton Street, Santa Clara, CA 95050
Phone number: (408) 615-4900

Menlo Park Fire Protection District, CA – *Standards of Cover Assessment Update*

The Menlo Park Fire Protection District (pop. appx. 90,000) retained Citygate to perform a Standards of Cover Assessment for field deployment services. This study included reviewing the adequacy of the existing deployment system from the current fire station locations. This review was the first Standards of Cover Assessment to include the impact of traffic congestion on response times. Completed in 2015.

Contact: Harold Schapelhouman, Fire Chief
Address: 170 Middlefield Rd., Menlo Park, CA 94025
Phone number: (650) 688-8426

City of Carlsbad, CA – *Fire Department Planning Study*

Citygate conducted a fire department planning study for the City of Carlsbad (pop. appx. 110,972). The study included an evaluation of all aspects of the Fire Department and non-deployment systems review as well as a Standards of Response Coverage planning analysis (fire station and crew deployment) with an assessment of fire station and staffing infrastructure triggers for additional resources. Completed in 2009.

Contact: Michael Davis, Fire Chief
Address: 2560 Orion Way, Carlsbad, CA 92010
Phone number: (760) 931-2141

City of Orange, CA – *Standards of Cover Assessment*

Citygate performed a Standards of Cover Study for the City of Orange Fire Department (pop. appx. 139,969). This study included a deployment review and an analysis of staffing, fire incidents, mutual aid, geographic patterns, station location, and station operations. In addition, Citygate will provided recommendations regarding deployment options. Completed in 2015.

Contact: Jack Thomas, Fire Chief
Address: 176 S Grand Street, Orange, CA 92866
Phone number: (714) 288-2500

Headquarters and Support Functions Review and Strategic Plan

Citygate is currently performing a Headquarters and Support Functions Review and Strategic Plan as an addendum to our 2014 Standards of Coverage plan contract for the City of Orange (pop. appx. 139,969). The project includes three steps that involved the participation and direction of the Department's senior staff. The final work product will be a strategic Plan to provide guidance for the Department for the next five or more years. *Current*.

Contact: Jack Thomas, Fire Chief
Address: 176 S Grand Street, Orange, CA 92866
Phone number: (714) 288-2500

City of Rio Rancho, NM – *Fire and Rescue Operations Staffing Study*

The City of Rio Rancho is known as one of the fastest expanding cities in New Mexico. This study for the City of Rio Rancho, NM (pop. appx. 91,956) included a review of the organizational structure, a gap analysis, a review of shift structure impacts, and a review of alternative service delivery methods. To achieve the necessary informational certainty to make staffing decisions, a rigorous data analysis was a chief component of this study. After completing the analysis, Citygate recommended an adaptive deployment model alternative staffing for ambulance response by the City. This report then formed the basis for staffing and deployment decisions affecting the Fire Department going forward. The report was well received by the City Council, City staff, and Fire labor. Since the report, the major recommendation of the report has been budgeted and implemented by the City. Completed in 2014.

Contact: Michael Meek, Fire Chief
Address: 3200 Civic Center Circle NE Rio Rancho, NM 87144
Phone number: (505) 891-7247

City of Surprise, AZ – *Fire Master Plan and Standards of Response Coverage Study*

The City of Surprise retained Citygate to conduct a Master Planning Project along with a Standard of Response Cover Planning analysis for the Fire Department. Between 2000 and 2010, the City of Surprise experienced a growth rate of 280%. The planning effort had to have a long-term strategic focus while designing short and mid-term strategies to phase services as economic and population growth occurred.

We helped the City plan the location and costs of the likely needed fire stations over the next 12 years of projected growth. We advised on revised deployment performance measures to drive the location and timing of fire stations. We also suggested alternative deployment strategies such as deployment measures linked to population density, core stations, and peak activity or quick response units."

Citygate's recommendations followed best practices and we designed solutions that would enhance the Fire Department's capabilities in the near term of one to three years while building a firm foundation upon which the Department can grow over the longer term.

Port of Corpus Christi, TX – *Marine Firefighting Risk and Response Assets Analysis*

Citygate is currently conducting a Marine Firefighting Risk and Response Assets Analysis for the Port of Corpus Christi.

City of Georgetown, TX – *Fire Department Deployment Study*

Citygate performed a fire department planning study for the City of Georgetown to include: (1) Standards of Response Cover planning analysis to examine levels of fire department service; (2) fire station staffing infrastructure triggers for additional resources; and (3) order of magnitude costs and possible financing strategies for changes to the Fire Department.

Travis County ESD #6, TX (Lake Travis Fire Rescue) – *Fire Master Plan and Standards of Response Coverage Study*

Citygate completed a Master Operations Plan and Standards of Response Coverage, which included a review of fire prevention, training and safety, fleet management, facilities, and administrative support for Travis County Emergency Service District #6. Planning for the ESD #6 involved two stages of effort: (1) a short-range plan that addresses current service delivery needs in light of the ESD #6's economic situation; and (2) a longer-range plan that addresses fire services delivery at the current planned build-out of the District. This resulted in the relocation of headquarters, the purchase of additional response capability, and planning the location of two additional fire stations and centrally located training facility. In a number of areas including training and prevention, the workload analysis provided the ESD #6 with direction on staffing levels and best practices. This effort was the culmination of a 5-year financial and capital improvement plan and strategic planning process the ESD #6 had embarked on earlier.

Glendale, AZ – *Comprehensive Public Safety Deployment and Performance Review of the Police and Fire Departments*

Citygate is currently performing a comprehensive Deployment and Performance Review for the Glendale, AZ Fire and Police Departments. This review includes a Standards of Cover and headquarters assessment for fire services, as well as a police services analysis, and an advanced data overview for both departments. Citygate will also conduct a staffing analysis.

City of Goodyear, AZ – *Comprehensive Management Audit of the Fire Department*

Citygate completed a comprehensive management audit of the Goodyear, AZ Fire Department to review the effectiveness and management processes of the leadership team, the organization's current design and direction, and the organizational climate.

City of Enid, OK – *Fire Department Performance Review*

Citygate conducted a fire department performance review including all aspects of fire services operations, focusing on how to meet the City's protection needs and how to provide operational efficiency in a difficult economy. The study included a Standards of Response Coverage deployment study and an assessment of the Department's non-deployment functions.

City of San Jose, CA – *Fire Department Organizational Review*

Citygate is currently conducting a large organizational review of the San Jose Fire Department. This review is to evaluate the current delivery of Fire Department services, technological improvements as they relate to Department response time performance, and potential increases in Department efficiencies in operations.

Cosumnes Community Services District – *Standards of Cover Study and Strategic Plan*

Citygate performed a Standards of Cover (SOC) Study, Management/Administrative Assessment, and Strategic Plan for the Cosumnes Community Services District Fire Department. This study will include all facets of an extensive SOC, and an in-depth facilitation of the Applied Strategic Planning method.

City of San Diego, CA – *Standards of Response Coverage Study*

Citygate conducted a fire service Standards of Response Coverage deployment study for the San Diego Fire Rescue Department (population over 1.25 million). This study independently reviewed the existing fire and emergency medical risks to be protected, the current and desirable response system to these needs, and recommended a best-fit solution to most effectively leverage the existing situation while allowing the development of an even-stronger regional response system to benefit everyone.

Santa Barbara County – *Fire Services Deployment and Departmental Performance Audit Study*

Citygate completed a Standards of Response Coverage deployment analysis and departmental performance assessment of the Santa Barbara County Fire Department. The study identified both the current service level and services desired, and then assessed the Department's ability to provide them. After understanding gaps in operations and resources, Citygate provided recommendations to maximize and improve Department operations and resources over time.

Los Angeles County – *Emergency Medical Services Organizational and Operational Review*

Citygate completed an expansive review of the organizational and operational components of the EMS program at the Los Angeles County Fire Department. This study included a review of deployment, use of resources, best practices in pre-hospital medicine, organizational and personnel practices, and the use of information technology. A Strategic Plan was also developed.

Sacramento Metropolitan Fire District – *Standards of Response Cover Study and a Services Reduction (Brownout) Study*

With an operating budget of approximately $166 million, the Sacramento Metropolitan Fire District provides services through 42 fire stations and approximately 750 career personnel to more than 640,000 residents in a 417 square mile area of Sacramento County, the Cities of Citrus Heights and Rancho Cordova, and a small portion of Placer County.

The Standards of Response Coverage study was commissioned to: analyze the effectiveness of the current deployment system; evaluate the need for additional fire stations; recommend criteria for the placement and timing of these stations; and develop the criteria for deployment reductions of 3-5 fire stations to meet the fiscal needs of the District's declining revenues.

The study exceeded all of the District's expectations and was very well received by the elected officials and stakeholders in May 2009. The District adopted and implemented Citygate's brownout service reduction plan. Citygate has been retained by the District to perform numerous additional engagements.

San Diego County Office of Emergency Services (CA) – *Countywide Deployment Study for Regional Fire, Rescue, and EMS Services (57 Total Fire Agencies)*

In 2010, Citygate established a phased-process blueprint designed to improve San Diego County's regional fire protection and emergency medical system. The study assessed current levels of service, identified future needs, provided options for a regional governance structure, and developed cost feasible proposals to improve the region's ability to respond to natural or manmade disaster (including wildfires, earthquakes, terrorism, and other multi-hazard events), bolster day-to-day operations for local agencies, and enhance the delivery of fire and emergency medical services.

The study exceeded the County's expectations and was very well received by the elected officials and stakeholders in May 2010. The County has since retained Citygate to provide ad hoc assistance with implementation of the study's recommendations. More information on this study, including links to watch the final presentation, listen to a related radio interview with Stewart Gary, view study documents, and read local news articles is available here:

http://www.citygateassociates.com/fire/fire-san-diego-county-study/

The Board of Supervisors on a 5-0 vote adopted Citygate's recommendations and the County is now in the process of implementing the recommendations.

Alameda County – *EMS System Consultation to the Alameda County Health Care Services Agency*

Citygate is currently assisting the Alameda County Health Care Services Agency as it redesigns and rebids EMS services in response to unprecedented fiscal pressures and emerging economics that have been driving many California EMS systems toward insolvency. Citygate's scope also includes a review of deployment and socio-economic data, as well as state health care reimbursement reform regulations.

Monterey County, CA – *EMS Agency Ambulance System Issues Review and Analysis of Options*

Citygate conducted a review of issues in the ambulance transport system relating to the County's contracted provider and the local government stakeholders. Citygate used focused listening and documentation review to substantiate issues identified. We worked separately and jointly with system partners to forge improved relations and operational agreements.

Contra Costa County, CA – *Independent Financial Review of Elements Related to the County's Ambulance RFP*

Citygate executed an Independent Financial Review of Elements related to the County's Ambulance RFP. Phase 1 consisted of evaluating the financial stability of the current Contra Costa County EMS system, while Phase 2 consisted of a financial review of bids for service received.

City of Oakland, CA – *Comprehensive Multi-Hazard, All Risk Fire Service Deployment Study*

Citygate conducted a comprehensive multi-hazard, all-risk fire service deployment study of the Oakland Fire Department's ability to respond to and mitigate emergencies in routine and strategic risk scenarios. The study combined Oakland's capabilities with those of its neighbors to form a picture of what the sub-regional response system's capabilities are to protect the strategic risks in the Oakland Metropolitan Area. From these assessments and the resultant gap analysis, recommendations for changes were made to improve the response system.

Los Angeles County Fire Department – *Santa Clarita Valley Area Fire Services Review*

Citygate completed a fire services study for the Los Angeles County Fire Department, in cooperation with the City of Santa Clarita, and completed the following objectives:

- Assess the adequacy of revenue to support the current and planned operations and capital expenditures for stations and equipment in the Valley;

- Assess the present adequacy of the number and location of fire stations, equipment and personnel in the Valley;
- Assess the timing and adequacy of the number and location of planned fire stations, equipment and personnel in the Valley.

El Dorado LAFCO (CA) – *Countywide Fire and Emergency Services Study*

Citygate performed a fire and emergency services study to evaluate fire services countywide and to provide actionable recommendations on how to ensure sustainable, adequate and cost-effective coverage. This study was undertaken because eight of the fourteen agencies providing fire and emergency services to El Dorado County had insufficient revenue streams and had been relying on supplemental funding from the County; without these funds, some agencies would not be able to meet service demands.

Cities of Anaheim, Fullerton, and Orange CA – *Consolidation, Merger or Contract Fire Services Feasibility Analysis*

Citygate performed a study to identify opportunities to expand and/or strengthen the delivery of Fire, EMS, and other services for the City of Anaheim Fire Department, City of Fullerton Fire Department, and Orange City Fire Department.

City of Pasadena – *Standards of Response Coverage Analysis*

Citygate conducted a Standards of Response Coverage study including nationally recognized response performance goals from which the City could adjust, if needed, the quantity, staffing and locations of fire stations. This included consideration of existing or potential automatic and mutual aid agreements.

City of Beverly Hills – *General Organizational and Management Analysis and Strategic Plan*

Citygate conducted a general organizational and management analysis of the City of Beverly Hills Fire Department along with strategic planning assistance to jointly develop with the staff an updated Strategic Plan. Included in the work was an assessment of emergency response and headquarters services provided by the Department. The analysis assessed gaps—if any—in operations and resources, and where appropriate, developed recommendations to maximize Fire Department operations and resources. In addition, the analysis identified best practices that may be appropriate for application in Beverly Hills.

City of Stockton, CA – *Standards of Cover Study; Risk Assessment for Port of Stockton; Fire Services Review and SOC Update*

Citygate conducted a Standards of Response Cover planning analysis for the City of Stockton Fire Department as it pertains to City expansion areas. As such, this study briefly reviewed the

adequacy of the existing deployment system to determine how much, if at all, the existing stations can provide coverage to the proposed growth areas.

Citygate then completed a review of the emergency response capabilities of the Stockton Fire Department to the Port of Stockton area to determine the Fire Department's ability to provide the same response time delivery for the first-due fire engine consistent with the goal to the rest of the existing City.

Separately, as a subcontractor, Citygate completed a project to assist with a review of fire services and provide fire services re-deployment scenario advice to meet the current fiscal challenges. This work was based on Citygate's prior deployment studies for Stockton in 2008 and 2009.

V.4 CITYGATE CLIENT SUMMARY

In addition to the related studies described above, Citygate presents a listing of additional SOC/deployment studies, Headquarters/Staffing Reviews and Strategic Plans, consolidation projects, and general projects that we have completed.

Fire Standards of Coverage/Deployment Studies

- City of Alameda, CA
- City of Bakersfield, CA
- City of Brentwood, CA
- Carpinteria-Summerland FPD, CA
- City of Cleveland, OH
- Coastside FPD, CA
- City of Costa Mesa, CA
- Cosumnes CSD, CA
- East Contra Costa County FPD, CA
- El Dorado Hills Fire District, CA
- City of Emeryville, CA
- City of Enid, OK
- City of Eureka, CA
- City of Folsom, CA
- City of Georgetown, TX
- Kings County, CA
- Lakeside FPD, CA
- Marin County, CA
- Menlo Park FPD, CA
- City of Minneapolis, MN
- City of Monterey Park, CA
- Montecito FPD, CA
- Sacramento Metropolitan Fire District, CA
- City of Sacramento, CA
- City of San Bernardino, CA
- City of San Diego, CA
- City of San Jose, CA
- City of San Luis Obispo, CA
- City of San Mateo, CA
- San Mateo County, CA
- San Ramon Valley FPD, CA
- Santa Barbara County, CA
- City of Santa Clara, CA
- Santa Clara County, CA
- City of Seaside, CA
- Snohomish County Fire District 1, WA
- South Placer FPD, CA
- City of South San Francisco, CA
- South San Mateo County, CA
- South Santa Clara FPD, CA
- Southern Marin FPD, CA
- Stanislaus Consolidated FPD, CA
- City of Stockton, CA
- City of Suisun City, CA

- City of National City, CA
- North County FPD, CA
- North Lake Tahoe FPD, NV
- City of Oakland, CA
- Ogden City, UT
- City of Orange, CA
- City of Palm Springs, CA
- City of Pasadena, CA
- City of Redlands, CA
- City of Roseville, CA
- City of Sunnyvale, CA
- Templeton CSD, CA
- Travis County ESD No. 6, TX
- City of Vacaville, CA
- City of Vallejo, CA
- City of Vancouver, WA
- City of Vista, CA
- City of Yuba City, CA

Master/Strategic Plans

- City of Atwater, CA
- Anacortes, WA
- City of Belmont, CA
- City of Beverly Hills, CA
- Butte County, CA
- City of Carlsbad, CA
- City of Corona, CA
- City of Dixon, CA
- City of DuPont, WA
- East Contra Costa County FPD, CA
- El Dorado Hills Fire District, CA
- Fresno County, CA
- Lakeside Fire Protection District
- Los Angeles County, CA
- Los Angeles Area Fire Chiefs Association, CA
- Madera County, CA
- Mountain House CSD, CA
- Mukilteo, WA
- Napa County, CA
- City of Napa, CA
- City of Newark, CA
- City of Oakdale / Oakdale Rural FPD, CA
- City of Oceanside, CA
- City of Orange, CA
- City of Peoria, AZ
- Presidio Trust, CA
- Port of Long Beach, CA
- Port of Los Angeles, CA
- Rock Creek Rural FPD, ID
- Salida FPD, CA
- Salton Community Services District, CA
- City of San Luis Obispo, CA
- City of Soledad, CA
- City of Surprise, AZ
- Travis County ESD #6, TX
- Town of Windsor, CA
- University of California, Davis
- University of California, Merced

Consolidations and Contract-for-Service Analyses

- Heartland Fire and Rescue, CA – Second Phase Merger Feasibility Study
- Brea/Fullerton, CA - feasibility analysis for providing multi-city fire services under JPA Jurisdiction
- Greenfield, CA and Greenfield Fire Protection District – Fire Services Reorganization Study
- Placer County – Fire Service Consolidation Implementation Plan
- City of Ukiah and Ukiah Valley Fire District, CA – Feasibility of Establishing a "District Overlay"
- Cities of Manhattan Beach and Hermosa Beach, CA – Operational Assessment
- Cities of Hesperia, Adelanto, Victorville, Town of Apple Valley, CA – Public Safety JPA Feasibility Study
- San Diego County Office of Emergency Services (CA) – Countywide Deployment and Fiscal Study for Regional Fire, Rescue, and EMS Services (57 Total Fire Agencies)
- UC Davis, Cities of Davis, West Sacramento, and Woodland, CA – Consolidation Feasibility Analysis
- UC Santa Cruz and City of Santa Cruz, CA – Consolidation Feasibility Analysis
- City of Emeryville, CA – Assessment of Fire Service Provision Options
- City of Arcata, CA – Fire Services Feasibility Analysis
- City of Pinole, CA – Regional Fire Service Delivery Study
- City of Sausalito and Southern Marin FPD, CA – Fire Consolidation Implementation Analysis
- Cities of Burlingame, Millbrae, San Bruno, and Town of Hillsborough, CA – Fire Services Merger Technical Implementation
- Cities of Orange, Fullerton, and Anaheim, CA – Consolidation Feasibility Analysis
- El Dorado LAFCO (CA) – Countywide Fire and Emergency Services Study
- City of Lodi, CA – Contract for Services Feasibility Analysis
- Presidio Trust and National Park Service – Fire Services Reorganization City of Eureka and Humboldt No. 1 Fire Protection District, CA – Consolidation or Contract Fire Services Feasibility Analysis
- Seaside and Marina Fire Services, CA – Consolidation Implementation Assistance
- Cities of Pismo Beach, Arroyo Grande, Grover Beach, and Oceano CSD, CA – High-Level Consolidation Feasibility Analysis
- Cities of Patterson, Newman and West Stanislaus County FPD, CA – Joint Fire Protection Study
- Cities of Monterey, Pacific Grove, and Carmel, CA – High-Level Consolidation Feasibility Analysis
- South Santa Clara County Area Fire Departments, CA – Reorganization Feasibility Study
- City of South Lake Tahoe, CA – Fire Department Consolidation Feasibility Analysis
- City of Santa Rosa and Rincon FPD, CA – Fire Consolidation Analysis
- City of Sonoma and Valley of the Moon FPD, CA – Fire Services Reorganization Study
- City of Covina, CA – Contract-for-Service Analysis
- Cities of Newark and Union City, CA – Consolidation or ALCO Contract for Services Study
- Snohomish County Fire District 1, WA – Review of Regional Fire Authority Financial and Level-of-Service Plan
- Yuba County Valley Floor Agencies, CA – Fire Services Merger Study

General Studies

- Alameda County Health Care Services Agency
- County of Alameda, CA – Incident Management Teams
- City of Albany, NY – Management Audit
- Alpine Springs, CA – Services Cost Sharing
- City of Atascadero, CA – Project Impact and Mitigation Assessment
- Bay Area UASI – Incident Management Training
- City of Brentwood, CA – Service Costs and Options
- Cities of Brea and Fullerton, CA – Fire Resource and Ambulance Plan
- City of Calistoga, CA – Fire Safety Review
- City of Chula Vista, CA – Analysis of Overtime Use; Fiscal and Operational Policy Assistance for ALS Plan
- City of Cloverdale, CA – Impact Fees
- City of Costa Mesa, CA – Evaluate Impacts of a Potential Fire Station #6 Closure
- City of Copperopolis, CA – Prevention
- Contra Costa County, CA Financial Review
- City of Corona, CA – Fire Prevention
- City of Davis, CA – Operations / Management
- Donnelly Rural FPD, ID – Mitigation
- El Dorado Hills, CA – Peer Review
- EMSA – Training Program Development
- City of Fairfield, CA – Review of the Fire Station Needs for the Fairfield Train Station Specific Plan
- City of Fremont, CA – Response Statistics; Comprehensive Multi-discipline Type 3 IMT Training Program
- City of Glendale, AZ – Public Safety Audit
- City of Goodyear, AZ – Fire Department Management Audit
- Manhattan Beach – Evaluate Site Options for Fire Station 2
- City of Millbrae – Fire and Police Service Impacts for Millbrae Station Area Plan
- PG&E – Mitigation
- City of Piedmont, CA – EOC
- Placer County, CA – Fire Services and Revenue Assessment
- Port of Long Beach, CA – Mitigation
- Port of Long Beach, CA – Update of Port Multi-Hazard Firefighting Study
- Port of Los Angeles, CA – Performance Audit
- Port of Oakland/City of Oakland – Domain Awareness Center Staffing Plan Development
- City of Portland, CA – Public Information Officer Training
- City of Poway, CA – Overtime Audit
- City of Roseville, CA – EMS Transport
- Rancho Cucamonga Fire District, CA – Fire Services Feasibility Review
- Rancho Santa Fe FPD, CA – EMS Operational and Fiscal Feasibility Review
- Sacramento Metropolitan Airport, CA – ARFF Study
- Sacramento Regional Fire/EMS Communications Center, CA – EMS Data Assessment
- City of Sacramento, CA – Fire Prevention Best Practices
- City of Salinas – Comprehensive Fiscal Feasibility Analysis and Facilitate Development of a JPA Governance Agreement for the formation of a 9-1-1 Emergency Communications JPA for Monterey County Public Safety Agencies
- Salton CSD, CA – Fire Services Impacts Review
- City of San Bernardino – Evaluation of City Fire Service Proposals
- City and County of San Francisco, CA – Incident Management Training

- Hamilton City FPD, CA – Preliminary Diagnostic Assessment
- City of Hemet, CA – Costing and Peer Review for Fire Service Alternatives
- City of Hesperia, CA – Cost Estimate for Hesperia Provided Fire Services
- Kelseyville FPD, CA – Executive Search
- Kitsap Public Health District, WA – Emergency Response Plan Review Services
- City of Loma Linda, CA – Cost of Services
- City of Milpitas, CA – Fire Services Planning Assistance
- County of Monterey, CA – EMS Agency Ambulance Systems Issues Review and Analysis
- County of Monterey, CA – EMS Communications Plan
- City of Napa, CA – Mitigation
- Newark-Union City, CA – Fire Services Alternatives
- Northstar, CA – Fire Impacts and Growth Review
- City of North Lake Tahoe, CA – Management Team Workshop
- City of Patterson, CA – Advance Planning
- County of San Mateo, CA – Countywide Fire Service Deployment Measurement System
- City of Santa Barbara, CA (Airport) – ARFF Study
- Santa Clara County, CA – Incident Management Training
- Santa Cruz County, CA – Incident Management Training
- Town of Scotia Company, LLC – Board Training Workshop
- Snohomish County Fire District 1 – Peak Hour Ambulance Use Study
- Sonoma LAFCO, CA – Municipal Services Review
- South Monterey County Fire Protection District, CA – Needs Assessment
- Squaw Valley, CA – Assessment of Project Impacts
- Stanford University, CA – Fire Services System Review Consulting Services
- City of West Sacramento, CA – Impact Fees
- Wheatland Fire Authority, CA – Operational Feasibility Review
- City of Yorba Linda, CA – EOC
- Yolo LAFCO, CA –Combined MSR/SOI Study

PART VI—PERSONNEL

VI.1 CITYGATE'S PROJECT TEAM

Citygate's capabilities for this service can be simply stated: the experience and talents of our Project Team members! We know that successful results come from Citygate's ability to handle, as necessary, six critical roles in cooperation with the City Fire project team: (1) champion; (2) stakeholder listener; (3) subject matter trainer/specialist; (4) meeting facilitator; (5) coach and content specialist; and (6) final strategist/advisor.

Citygate's team members, in their agency and consulting careers, *have successfully walked the talk* on fire department review efforts by focusing on the inclusion of culture and communications with rigorous analytic methods to build a business case that elected officials and agency employees can both understand.

The Citygate team has a multi-disciplinary approach that includes the full range of skills required to execute this challenging project. The diverse group of specialists comprising Citygate's proposed Project Team has worked on prior projects to integrate their respective expertise into comprehensive, compelling, and creative strategies to accomplish a municipality's objectives.

VI.2 NECESSARY PROJECT TEAM SKILLS

Citygate's team members possess the skills necessary to successfully complete this project, including:

- Fire department deployment principles and practices
- Fire department staffing
- Fire services command and organizational structure
- Fire department performance measurement
- Fire prevention, urban-wildland interface, and community risk reduction
- Dispatch and communications
- Field operations for fire and emergency medical services
- Operating and capital budgeting
- Ambulance billing
- City management and cost of services analysis
- Fleet management

- Fire services technology
- Safety and training
- Land use planning
- Strategic, master, and business planning.

VI.3 PROJECT TEAM / PROJECT ROLES

The qualifications of the Project Team are critical, as it is the expertise and the capabilities of the consultants involved in the project that ultimately determine the success of the project. We have carefully assembled the team members to provide the knowledge, depth, judgment, and sensitivity required to perform this engagement. Please note that the role of each team member is described in *italics* at the end of his biographical paragraph. Full resumes for each consultant are presented in **Appendix B**. Citygate's consultants adhere to the Code of Ethics found in **Appendix A**. Primary members of our Project Team include the following experienced consultants:

Chief Stewart W. Gary, MPA, Public Safety Principal, Project Director

Chief Gary is the Public Safety Principal for Citygate Associates and is the retired Fire Chief of the Livermore-Pleasanton Fire Department in Alameda County, California. In 1996, he successfully designed and led the implementation of the Livermore-Pleasanton fire department consolidation. For many years, he was the lead instructor and program content developer for the Standards of Coverage process and annually taught a 40-hour course on this systems approach for fire deployment at the California Fire Academy. He consults on all aspects of fire and EMS services design, planning, and performance auditing. Over the last 15 years, he has performed over 280 studies for clients of all sizes, such as the counties of San Diego and Los Angeles (Fire EMS Bureau), the cities of San Jose and San Diego, and one-station rural districts.

Chief Gary has excellent problem solving and facilitation skills having used planning, team building, culture development, and process re-design tools to successfully design, lead, and manage the California League of Cities Helen Putnam award-winning Livermore-Pleasanton Fire Department Consolidation. He also serves his community of Livermore as the Vice Mayor and as a long-time Rotarian.

Chief Gary will manage the Citygate team, attend the project kick-off, lead the Deployment Study, co-draft reports, and conduct tele-conference meetings.

Percentage of consultant time devoted to the hybrid SOC and Staffing Utilization project: 33%

Chief Robert Meyer, CEM, CFO, EFO, Fire Services Specialist

Chief Meyer has over twenty years of public fire protection experience. He recently retired as Fire Chief for the City of SeaTac, Washington, where he was responsible for leading a Fire Department of 53 employees serving a diverse community with a daily population of 96,000 out of three fully staffed fire stations providing fire, EMS, and technical rescue services. Prior to joining the SeaTac Fire Department in 2000, he served as the Division Chief for the Santa Maria Fire Department; Senior Code Enforcement Officer for the City of West Hollywood; and Battalion Chief for the San Clemente Fire Department. Chief Meyer is a Certified Emergency Manager, Certified Chief Fire Officer, and Peer Assessor/Team Leader for Commission on Fire Accreditation International.

Chief Meyer will conduct the risk assessment and lead the Staffing Utilization Analysis. He will also co-author reports and assist with briefings.

Percentage of consultant time devoted to the hybrid SOC and Staffing Utilization project: 38%

David C. DeRoos, MPA, CMC, Citygate President

Mr. DeRoos has 30 years' experience as a consultant to local government, preceded by 5 years as an assistant to the City Administrator. He earned his undergraduate degree in Political Science/Public Service (Phi Beta Kappa) from the University of California, Davis and holds a Master of Public Administration degree from the University of Southern California. Prior to becoming a Principal in Citygate in 1991, he was a Senior Manager in the local government consulting division of Ernst & Young.

Mr. DeRoos is responsible for ensuring the project is conducted smoothly and efficiently within the schedule and budget allocated, and that project deliverables meet Citygate's and the client's quality standards.

Percentage of consultant time devoted to the hybrid SOC and Staffing Utilization project: 4%

The Omega Group, Geo-Mapping Specialist

The Omega Group is a nationally recognized public safety and law enforcement mapping analytic and tactical software solution provider. Since the company's inception in 1992, Omega is honored to have worked with over 500 public safety agencies, which have leveraged two flagship solutions: CrimeView and FireView. Some of FireView's capabilities include site selection of fire stations, first-due assignments, response time analysis, and mutual aid strategies.

The Omega Group will provide geo-mapping analysis for the fire station/crew deployment portion of the project.

Percentage of consultant time devoted to the hybrid SOC and Staffing Utilization project: 13%

Michael D. Fay, Statistical Specialist

Mr. Fay has assisted Citygate with deployment studies for over 10 years. He has over 30 years' experience and has served as a firefighter, EMS director, educator, consultant and publisher. As President of Animated Data, Inc., he is the designer and publisher of *StatsFD,* formerly NFIRS 5 Alive. Using standard NFIRS 5 datasets, *StatsFD* quickly performs diagnostic analysis of fire department operations.

Mr. Fay will conduct statistical analysis for the deployment portion of the project.

Percentage of consultant time devoted to the hybrid SOC and Staffing Utilization project: 12%

PART VII—NON-COLLUSION AND NON CONFLICT OF INTEREST

Non-collusion and non-conflict of interest documents have been attached as Appendix C for our two lead consultants, Stewart Gary and Bob Meyer, who will be performing the analysis, writing the project report, and attending on-site meetings.

PART VIII—PROPOSAL ACCEPTANCE PERIOD

Citygate's proposal is valid for one hundred and eighty (180) calendar days subsequent to the RFP closing date.

PART IX—AUTHORIZED NEGOTIATOR

Chief Stewart Gary
2250 East Bidwell Street, Suite 100
sgary@citygateassociates.com
(916) 458-5100 ext. 305

PART X—COST PROPOSAL

X.1 PROPOSAL COSTS

Our charges are based on ***actual time*** spent by our consultants at their established billing rates, plus reimbursable expenses incurred in conjunction with travel, printing, clerical, and support services related to the engagement. We will undertake this study for a "not-to-exceed" total cost based on our Work Plan and Scope of Work, outlined below.

Scope of Work	Hourly Fees of Project Team	Reimbursable Expenses*	GIS Data**	Administration (5% of Hourly Fees)	Total Citygate Project Amount***
Combined Hybrid Study	$70,735	$5,724	$0	$3,537	**$79,996**

** The above travel costs are budgeted at Southwest Airlines lowest cost advance purchase fares to control expenses. Thus, the City and Citygate will have to make and commit to meeting dates well in advance.*

*** Our cost assumes that the City already possesses the appropriate GIS data for fire unit time over distance modeling. However, if not, this data is purchased by The Omega Group from HERE, a private GIS data vendor,* ***at the additional cost of $3,950****.*

**** If the City believes it has a significant traffic congestion problem interfering with emergency unit responses, additional traffic congestion data, GIS, and Citygate consultant labor hours are needed for congestion modeling* ***at the approximate cost of $4,826****. This cost would be* ***in addition to the $3,950*** *base GIS data if the City does not have sufficient GIS base data.*

X.1.1 Hourly Rates

Classification	Rate	Consultant
Citygate President	$225 per hour	David DeRoos
Public Safety Principal	$250 per hour	Stewart Gary
Fire Services Specialist	$195 per hour	Robert Meyer
Geo-Mapping Specialist	$195 per hour	The Omega Group
Statistical Specialist	$195 per hour	Michael Fay
Report Project Administrator	$125 per hour	Chad Jackson
Administrative Support	$95 per hour	Various

X.1.2 Billing Schedule

The price quoted above is effective for 180 days from the RFP closing date for this proposal and includes one (1) draft cycle as described in Task 5 of our Work Plan to be completed by Citygate

and the City within 10 working days. Additional Draft Report cycles or processing delays requested by the City would be billed in addition to the contracted amount at our time and materials rates. When changes are agreed upon, Citygate will provide up to nine (9) bound color copies of the Final Report document and one (1) reproducible master copy on CD-ROM. The Draft Report will be considered to be the Final Report if there are no suggested changes within thirty (30) days of the delivery of the Draft Report.

If the City decides to delay our final presentation in Task 6 after acceptance of the final work product, Citygate will accommodate such a request, but will charge two administrative hours per month to keep the project in suspense until the presentation is delivered. If this causes the billing to exceed the contracted amount, the City will be billed for the additional hours above the contracted amount.

We will bill monthly for time, reimbursable expenses incurred at actual costs (travel), plus a five percent (5%) administration charge in lieu of individual charges for copies, phone, etc. Our invoices are payable within thirty (30) days. Citygate's billing terms are net thirty (30) days plus two percent (2%) for day thirty-one (31) and two percent (2%) per month thereafter. Our practice is to send both our monthly status report and invoice electronically. If we are selected for this project, we will request the email for the appropriate recipients of the electronic documents. Hard copies of these documents will be provided only upon request. We prefer to receive payment by direct deposit, if available.

We request that ten percent (10%) of the project cost be advanced at the execution of the contract, to be used to offset our start-up costs. This advance would be credited to our last invoice.

Ten percent (10%) of the total contractual price will be retained by the City until submission and acceptance of all work products.

APPENDIX A

CODE OF ETHICS

CODE OF ETHICS

CLIENTS

1. We will serve our clients with integrity, competence, and objectivity.
2. We will keep client information and records of client engagements confidential and will use proprietary client information only with the client's permission.
3. We will not take advantage of confidential client information for ourselves or our firms.
4. We will not allow conflicts of interest which provide a competitive advantage to one client through our use of confidential information from another client who is a direct competitor without that competitor's permission.

ENGAGEMENTS

5. We will accept only engagements for which we are qualified by our experience and competence.
6. We will assign staff to client engagements in accord with their experience, knowledge, and expertise.
7. We will immediately acknowledge any influences on our objectivity to our clients and will offer to withdraw from a consulting engagement when our objectivity or integrity may be impaired.

FEES

8. We will agree independently and in advance on the basis for our fees and expenses and will charge fees and expenses that are reasonable, legitimate, and commensurate with the services we deliver and the responsibility we accept.
9. We will disclose to our clients in advance any fees or commissions that we will receive for equipment, supplies or services we recommend to our clients.

PROFESSION

10. We will respect the intellectual property rights of our clients, other consulting firms, and sole practitioners and will not use proprietary information or methodologies without permission.
11. We will not advertise our services in a deceptive manner and will not misrepresent the consulting profession, consulting firms, or sole practitioners.
12. We will report violations of this Code of Ethics.

The Council of Consulting Organizations, Inc. Board of Directors approved this Code of Ethics on January 8, 1991. The Institute of Management Consultants (IMC) is a division of the Council of Consulting Organizations, Inc.

APPENDIX B

PROJECT TEAM RESUMES

Mr. Gary was, until his retirement, the Fire Chief of the Livermore-Pleasanton Fire Department. Now in his 43rd year in the Fire Service, Mr. Gary began as a volunteer and worked his way up through the ranks, including his service as a Paramedic for five years.

Mr. Gary started his career with the City of Poway in San Diego County, attaining the rank of Battalion Chief/Fire Marshal. He subsequently served as the Administrative Battalion Chief for the Carlsbad Fire Department in San Diego County. He was appointed Fire Chief for the City of Livermore, CA in January 1994, and two years later, he successfully facilitated the peer-to-peer merger of the Livermore and Pleasanton Fire Departments into one seamless ten-company department from which he retired as Chief. This successful consolidation was awarded the esteemed Helen Putnam award for excellence and innovation by the California League of Cities in 1999.

Mr. Gary has both a Bachelor's and Master's degree in Public Administration from San Diego State University. He holds an Associate in Fire Science Degree from Miramar Community College in San Diego, a Certificate in Fire Protection Administration from San Diego State, and he has attended hundreds of hours of seminar course work in fire protection.

Mr. Gary has served in elected professional positions, including: President, California League of Cities, Fire Chiefs Department and Chairperson, San Diego County Paramedic Agencies. He has been involved in progressive responsibility for creating or implementing fire protection policy on the local, state and national levels. He has served as a Board Member representing cities on the California Office of Emergency Services-Firescope Board, and served two terms as the Fire Chief representative on the California League of Cities Board of Directors. Mr. Gary served on the Livermore School District Board, and presently serves as an elected official on the City of Livermore City Council.

Current Consulting Experience Includes:

Since starting his consulting career with Citygate Associates in 2001, Chief Gary has successfully worked on, managed, or directed over 280 consulting projects. Some of the highlights and recent projects include:

- Served as Fire Services Principal to perform a comprehensive Standards of Cover and headquarters staffing adequacy review for the Santa Clara Fire Department.
- Served as Project Director and SOC Specialist for a Standard of Cover update for the Menlo Park Fire Protection District.
- Served as Project Director and SOC Specialist for a fire department planning study for the City of Carlsbad to include an evaluation of all aspects of the Fire Department and fire headquarters systems review; a Standard of Response Cover planning analysis (fire station and crew deployment), fire station and staffing infrastructure triggers for additional resources, if needed; and an analysis of headquarters and prevention systems.
- Served as Project Director and SOC Specialist to conduct a Standards of Cover Assessment for the City of Orange Fire Department.

- Currently serving as Fire Practice Principal to perform a headquarters and support functions review and strategic plan for the City of Orange Fire Department.
- Served as Project Director for a fire and rescue operations and staffing study for the City of Rio Rancho, NM.
- Currently serving as Public Safety Principal and Project Director to conduct a marine firefighting risk and response assets analysis for the Port of Corpus Christi, TX.
- Served as Project Director and SOC Specialist to conduct a deployment study for the Georgetown, TX and Williamson County Emergency Service District #8 Fire Department.
- Served as Project Manager for Citygate's Standards of Response and Master Operations Plan for Travis County Emergency Service District #6. This analysis included a review of distribution of fire stations, deployment times, and firefighter staffing. As a follow-on study, Citygate provided an incident response statistics update and analysis of relocating one of the District's engines.
- Served as Project Director and Fire Practice Principal for a Master Plan and Standards of Response Cover Deployment study for the City of Surprise, AZ. This project included developing macro cost impacts and a growth strategy for the City.
- Served as Public Safety Principal to perform a comprehensive public safety deployment and performance review of the Police and Fire Departments for the City of Glendale, AZ.
- Served as Project Director and Fire Services Principal for a Comprehensive Management Audit of the Goodyear Fire Department to evaluate: (1) effectiveness and management processes of the leadership team; (2) design and direction of the organization; and (3) organizational climate.
- Served as Fire Practice Principal and Project Director for a Standards of Cover Study, Management/Administrative Assessment, and Strategic Plan for the Cosumnes Fire Department.
- Served as Project Director for Citygate's Standards of Response Coverage study for the City of San Diego, CA.
- Served as Project Manager and SOC Specialist for a Fire Services Deployment and Departmental Performance Audit for the Santa Barbara County Fire Department.
- Served as Project Director for an extensive Emergency Medical Services Organizational and Operational Review of the Los Angeles County Fire Department.
- Served as Project Director and SOC Specialist for a Standards of Response Cover deployment analysis and geo-mapping software implementation for the Sacramento Metropolitan Fire District.

- Currently serving as Fire Practice Principal to refresh and brief stakeholders on the Port Multi-Hazard Firefighting Study for the Port of Long Beach.
- Served as Project Manager for a high-level review of existing firefighting and multi-hazard risk analysis data, response capabilities, and future needs in the Port of Long Beach operational area for City of Long Beach Fire Department managed Port assets, including locations of ground-based fire stations and waterborne fireboats.
- Served as Project Manager for a Marine and Specialty Fire Services Assessment study for the Ports of and Long Beach and Los Angeles to provide a macro level review of existing marine protective services and specialist firefighting resources in the combined port area.
- Served as Project Manager for a performance audit of the City of Los Angeles Fire Department operations and financial analysis of the billings paid by the Harbor Department for the fiscal years 2008-2010 to assess their reasonableness, fairness, and accuracy. This project included an assessment of the overall staffing and deployment of LAFD land-based and sea-based personnel and equipment over the last four years which support the Harbor.
- Completed a review of the emergency response capabilities of the Stockton Fire Department to the Port of Stockton area to determine the Fire Department's ability to provide the same response time delivery for the first-due fire engine consistent with the goal to the rest of the existing City.
- Served as Project Director for multiple deployment reviews, a brownout analysis and, overtime use reviews for the City of Stockton. Citygate conducted deployment studies for Stockton, a review of Port of Stockton Firefighting needs, station closure analysis, review of EMS re-structuring with the County, and a cost of overtime/overstaffing review.
- Served as Fire Services Principal and Project Director to conduct a Fire Department Organizational Review for the City of San Jose Fire Department.
- Served as Project Director and SOC Specialist for Citygate's Regional Fire Services Deployment Study for San Diego County, including 57 fire agencies in the County region. Citygate outlined a process designed to establish a blueprint for improving San Diego County's regional fire protection and emergency medical system.
- Served as Project Manager and SOC Specialist for a strategic plan and Standards of Response Coverage study for the City of Beverly Hills Fire Department.
- Served as Project Manager for a Fire Services study for the Los Angeles County Fire Department, in cooperation with the City of Santa Clarita. The study assessed the adequacy and number of present and future station locations, as well as the adequacy of revenue to support the current and planned operations.
- Served as Project Director to conduct a strategic planning process for the Los Angeles County Fire Chiefs Association to provide a framework for regionalizing training across all 31 fire departments in the area.

- Served as Project Director and SOC Specialist for a fire and emergency services study for the El Dorado Local Agency Formation Commission to evaluate fire services countywide and to provide actionable recommendations on how to ensure sustainable, adequate, and cost effective coverage.
- Served as Project Director and SOC Specialist for a project for the City of Oakland to conduct a comprehensive multi-hazard, all-risk fire service deployment study to analyze the City's fire services emergency response systems. Citygate also made recommendations for improvement of adding traditional resources and alternative and adaptive deployment models.

Other non-Citygate Relevant Experience Includes:

- In 2002, Mr. Gary led a seminar that taught the Standards of Response Cover (SOC) methodology to members of the Clark County Fire Department.
- In 2005 and into 2006, Mr. Gary coached, assisted and initially drafted the Clark County Fire Department Rural SOC documents. He advised County GIS on how to prepare the necessary mapping and response statistics analysis. He then coached the project manager on collecting risk assessment information on each rural area, which he then wove into an integrated draft set of risk statements and proposed response policies for each rural area.
- In 2000, Mr. Gary was the lead deployment consultant on a team that developed a new strategic plan for the San Jose Fire Department. The final plan, which used the accreditation system methods and Standards of Response Coverage tools, was well received by the Department and City Council, which accepted the new strategic plan on a 9-0 vote.
- In 1996, Mr. Gary successfully studied and then facilitated the peer-to-peer merger of the Livermore and Pleasanton Fire Departments into one seamless ten-company department for which he served as Chief. The LPFD represents one of the few successful city-to-city fire mergers in California. The LPFD consisted of 128 total personnel with an operating budget for FY 00/01 of $18M. Service was provided from eight stations and a training facility, and two additional stations were under construction.
- In 1995, Mr. Gary began working with the International Association of Fire Chiefs and International City Management Association Accreditation project on the Standards *of Cover* system for fire service deployment. He re-worked the material into a California manual and annually taught a 40-hour course for the California Fire Academy for many years. He conducts seminars on this deployment methodology for the International Fire Chiefs across the United States and Canada.
- In 1994, Mr. Gary effectively led the Fire Department's adding of paramedic firefighters on all engines to increase service. Previously the Alameda County regional system was under-serving Livermore, and the local hospital emergency room was closing. Residents and the City Council approved a local EMS supplemental property tax assessment (successfully re-voted after Proposition 218) to help pay for this increased service. In 1995, Mr. Gary assisted the City

Council and the firefighters union in reaching a new understanding on staffing, and a fifth Fire Company was added to better serve the Northwest area of Livermore.

- During his tenure in Carlsbad, he successfully master planned and opened two additional fire stations and developed the necessary agreements between the development community and the City Council.
- Mr. Gary has developed fire apparatus replacement plans; procured fire apparatus; supervised the development of community disaster preparedness and public education programs; facilitated permit streamlining programs in the Fire Prevention and Building Departments; improved diversity in the Livermore fire department by hiring the first three female firefighters in the City; supervised the Livermore City Building Department including plan check and inspection services for two years; master planned future growth in the North Livermore area for an additional 30,000 people in a "new town" area.
- Mr. Gary facilitated a successful regional dispatch consolidation between Poway and the City of San Diego Fire Department. He developed and implemented fire department computer records systems for Carlsbad and Livermore.
- Mr. Gary has been a speaker on the proper design of information systems at several seminars for Fire Chiefs, the California League of Cities and the Fortune 100. He has authored articles on technology and deployment for national fire service publications.
- Mr. Gary is experienced as an educator in teaching firefighting, paramedicine and citizen CPR programs. As a community college instructor, he taught management and fire prevention. He has been an instructor for State Fire Training and the San Diego Paramedic program.

Instructor and Lecturer:

- Instructor and lecturer on Fire Service Deployment for the Commission on Fire Accreditation Standards of Cover Methodology. Over the last five years, Mr. Gary has presented one-day workshops across the U.S. and Canada to fire chiefs. Presentations have included:
  - The International Association of Fire Chiefs Convention;
  - U.S. Navy Fire Chiefs in Norfolk, Virginia;
  - U.S. Air Force Fire Chiefs at the USAF Academy, Colorado Springs, Colorado;
  - Seattle area Fire Chiefs;
  - Vancouver British Columbia Fire Chiefs Association;
  - The Michigan/Indiana Fire Chiefs Association School at Notre Dame University;
  - The California Fire training Officers annual workshop;

- Developed and taught the 40-hour course in fire deployment methods for the California Fire Academy for seven years. Over 250 fire officers have been trained in this course.

Publications:

- Edited, partially wrote and co-developed the 2nd, 3rd & 4th Editions of the Commission on Fire Accreditation Standards of Response Cover Manual.
- Fire Chief Magazine article. February 2001, "System of Cover." Using the Accreditation Commission's Standards of Response Cover systems approach for deployment.
- Fire Chief Magazine article. December 2000, "Data to Go." Designing and implementing wireless data technologies for the fire service.

Chief Meyer has over twenty years of public fire protection experience. He recently retired as Fire Chief for the City of SeaTac, Washington, where he was responsible for leading a Fire Department of 53 employees serving a diverse community with a daily population of 96,000 out of three fully staffed fire stations providing fire, EMS, and technical rescue services. Prior to joining the SeaTac Fire Department in 2000, he served as the Division Chief for the Santa Maria Fire Department; Senior Code Enforcement Officer for the City of West Hollywood; and Battalion Chief for the San Clemente Fire Department. Chief Meyer is a Certified Emergency Manager, Certified Chief Fire Officer, and Peer Assessor/Team Leader for the Commission on Fire Accreditation International.

Current Consulting Experience Includes:

Since joining Citygate, some of Mr. Meyer's projects include:

- Served as Fire Services Specialist to perform a Fire and Rescue Operations and Staffing Study for the City of Rio Rancho, NM.
- Served as Fire Services Specialist for a Comprehensive Management Audit of the Goodyear, AZ Fire Department to evaluate: (1) effectiveness and management processes of the leadership team; (2) design and direction of the organization; and (3) organizational climate.
- Served as Fire Services Specialist to perform a comprehensive public safety deployment and performance review of the Police and Fire Departments for the City of Glendale, AZ.
- Served as Standards of Coverage Specialist to conduct a Fire Department Organizational Review for the City of San Jose Fire Department.
- Served as Fire Services Specialist for a Fire Services Deployment and Departmental Performance Audit for the Santa Barbara County Fire Department.
- Currently serving as Fire Services Specialist for a Fire and Emergency medical Services Deployment Analysis for Southern Marin Fire District.
- Served as Fire Services Specialist for an update of the City of Pasadena's Standards of Response Coverage plan.
- Served as Fire Services Specialist to Provide an Emergency Medical Services Review for the County of Los Angeles Fire Department.
- Served as Senior Fire Services Specialist to Provide an Operational Assessment of the Cooperative Fire Department Response Plan between the Cities of Manhattan Beach and Hermosa Beach.
- Served as Fire Services Specialist and Lead Consultant to conduct a Fire Department Standards of Response Cover Plan.
- Served as Fire Services Specialist for a Comprehensive Fire Department Evaluation and Analysis for the City of Mukilteo, WA.
- Served as Fire Services Specialist for a Fire Protection and EMS Master Plan for the City of Anacortes, WA Fire Department.

- Served as Fire Services Specialist to provide a comprehensive master plan for fire prevention services for the City of Corona Fire Department.
- Currently serving as Senior Fire Services Associate to perform a Standards of Cover study to include a review of fire-department-based ambulance deployment options for the City of Sacramento Fire Department.
- Served as Accreditation Specialist to develop a fire services strategic plan and pre-accreditation review for University of California, Davis, and City of Davis Fire Departments.

Professional Experience:

January 2010 – Present ***Northern Arizona University, Mesa, AZ***

Adjunct Professor

- Responsible for syllabi development, student evaluations, in-class and on-line instruction, mentoring of students. Currently teaching in Public Agency Management Program, Emergency Services Administration curriculum.

January 2003 – January 2010 ***SeaTac Fire Department, SeaTac, WA***

Fire Chief/Emergency Management Director

- Responsible for leading a Fire Department of 53 employees serving a diverse community with a daily population of 96,000 out of three fully staffed fire stations providing fire, EMS, and technical rescue services. He was the City's Emergency Management Program Director responsible for all planning, training of staff in Emergency operations/preparedness and as the ECC Director during an emergency. Conducted Standards of Cover analysis, risk assessment, deployment modeling, and strategic planning for emergency response. Developed Annual Reports.

November 2000 – January 2003 ***SeaTac Fire Department, SeaTac, WA***

Assistant Fire Chief

- Responsible for assisting the Fire Chief in leading and managing of the 39 sworn members and 7 civilian members, three fire stations with a 4.7 million dollar budget. Acted as Fire Marshal and community liaison for fire prevention issues. Served as EOC Manager and representative to King County Emergency Management. Served as department's liaison between State Labor and Industries Department. Served as Acting Fire Chief. Developed Standards of Coverage model.

May 1996 – Nov. 2000 ***Santa Maria Fire Department, Santa Maria, CA***

Division Chief - Fire Marshal/Emergency Services Coordinator

- Responsible for all Fire Prevention activities for a diverse community of 80,000 constituents. Directly supervised 5 employees. He conducted training for all members of the Department and City staff in emergency preparedness. Also served as Emergency Services Coordinator and Disaster Preparedness Officer for the City. Prepared the Emergency Plan and supporting documents. Acted as Duty

Chief on a rotating basis responsible for all emergency responses, training and safety.

January 1993 – May 1996 ***City of West Hollywood, West Hollywood, CA***

Senior Code Enforcement Officer

- Managed Code Enforcement Section of 4 personnel that enforced fire, building, and municipal codes for a diverse community of 40,000. Responded and answered citizen complaints, prepared code revisions and amendments, made presentations to the Community, Commissions and City Council.

December 1989 – Oct. 1992 ***San Clemente Fire Dept., San Clemente, CA***

Battalion Chief/Fire Marshal Emergency Services Coordinator

- Managed the Fire Prevention section of 5 staff and a budget of $500,000 for a community of 40,000. Managed the Hazardous Materials Disclosure Program. Managed the Emergency Preparedness Section for the City. Developed the Emergency Plan for the Community. Rotated as "duty officer" for emergency response and managed 30 on-shift personnel. Laid-off due to budget reductions.

Certifications:

- Certified Emergency Manager®
- Certified Chief Fire Officer; Center For Public Safety Excellence
- Executive Fire Officer, National Fire Academy
- Peer Assessor/Team Leader for Commission on Fire Accreditation International

Education:

- Bachelor of Science Degree
  - California State University Long Beach
- Master of Science Degree Candidate
  - All courses completed towards MS in Emergency Services Administration

Memberships:

- IAFC Technology Council
- IAFC Near Miss Program Contractor
- IAFC Western Division

Michael D. Fay has over 30 years experience and has served as a firefighter, EMS director, educator, consultant and publisher.

Relevant Experience:

- President of Animated Data, Inc., the designer and publisher of *StatsFD*, formerly *NFIRS 5 Alive*. Using standard *StatsFD* and raw CAD datasets, *StatsFD* quickly performs diagnostic analysis of fire department operations. Outputs are designed for both live and printed presentations.
- Director of End2End, Inc., publisher of FirePoint RMS Systems for fire departments. Products of the firm include 40 single-user and multi-user client server modules. (Formerly Advanced Command Systems, Inc. Maynard, MA). Mr. Fay is responsible for RMS product development.
- Senior Associate of Firepro Inc., a fire consulting firm specializing in fire safe building design, forensic reconstruction, and fire department consulting services. Mr. Fay directed fire scene documentation and reconstruction of dozens of large loss fires and co-authored management studies for several city fire departments.
- Assistant Superintendent and Program Chair for Management Technology at the National Fire Academy, Federal Emergency Management Agency (FEMA). The mission of the National Fire Academy is to enhance the nation's fire protection services through the development and delivery of specialized programs for fire service managers, trainers and technicians. Mr. Fay directed delivery of management training courses in the Resident Programs Division, and he developed and delivered executive development training courses for chief officers of larger departments. He also established the National Fire Academy's microcomputer laboratory. Mr. Fay authored two college-level courses on the use of computer technology in the fire service and was responsible for the development and delivery of a national teleconference on management applications for fire service computers.
- Field Coordinator, International Association of Fire Chiefs Apprenticeship Program. The IAFC/IAFF Apprenticeship Program developed personnel resources through the establishment of performance standards and local programs of training. Mr. Fay traveled to fire departments nationally to help resolve obstacles to the implementation of enhanced fire fighter, EMT and paramedic training programs and contributed to the development and adoption of national standards for Firefighters and Emergency Medical Technicians (EMTs).
- Director, Emergency Medical Services and Firefighter for the Amherst, MA Fire Department, was responsible for EMS operations, supervision of EMS personnel, budget preparation and public information programming. He also served as a line firefighter.

Education:

- BA, University of Massachusetts

Mr. DeRoos is the President of Citygate Associates, LLC and former Deputy Director of the California Redevelopment Association. He earned his undergraduate degree in Political Science/Public Service (Phi Beta Kappa) from the University of California, Davis and holds a Master of Public Administration degree from the University of Southern California. Mr. DeRoos has over five years of operational experience as a local government administrator in land use planning, budgeting, and personnel, and 30 years of consulting experience performing operations and management reviews of local government functions. Prior to joining Citygate in 1991, he was a Senior Manager in the State and Local government consulting division of Ernst & Young.

Relevant Experience Includes:

- For all Citygate projects, Mr. DeRoos reviews work products and is responsible for ensuring that each project is conducted smoothly and efficiently within the schedule and budget allocated, and that the project deliverables are in conformance to Citygate's quality standards.
- Served in an oversight capacity for a Comprehensive Standards of Cover and Headquarters Staffing Adequacy Review for the City of Santa Clara.
- Served in an oversight capacity for a standard of cover update for the Menlo Park Fire Protection District.
- Served in an oversight capacity for a fire department planning study for the City of Carlsbad to include an evaluation of all aspects of the Fire Department and fire headquarters systems review; a Standard of Response Cover planning analysis (fire station and crew deployment), fire station and staffing infrastructure triggers for additional resources, if needed; and an analysis of headquarters and prevention systems.
- Served in an oversight capacity to conduct a Standards of Cover Assessment for the City of Orange Fire Department.
- Currently serving in an oversight capacity to perform a Headquarters and support functions review and strategic plan for the City of Orange Fire Department.
- Served in an oversight capacity for a Fire and Rescue Operations and Staffing Study for the City of Rio Rancho, NM.
- Currently serving in an oversight capacity to conduct a marine firefighting risk and response assets analysis for the Port of Corpus Christi, TX.
- Served in an oversight capacity to conduct a deployment study for the Georgetown, TX and Williamson County Emergency Service District #8 Fire Department.
- Served in an oversight capacity for Citygate's Standards of Response and Master Operations Plan for Travis County Emergency Service District #6. This analysis included a review of distribution of fire stations, deployment times, and firefighter staffing. As a follow-on study, Citygate provided an incident response statistics update and analysis of relocating one of the District's engines.

- Served in an oversight capacity for a Master Plan and Standards of Response Cover Deployment study for the City of Surprise, AZ. This project included developing macro cost impacts and a growth strategy for the City.
- Served in an oversight capacity to perform a comprehensive public safety deployment and performance review of the Police and Fire Departments for the City of Glendale, AZ.
- Served in an oversight capacity for a Comprehensive Management Audit of the Goodyear Fire Department to evaluate: (1) effectiveness and management processes of the leadership team; (2) design and direction of the organization; and (3) organizational climate.
- Served in an oversight capacity for a Standards of Cover Study, Management/Administrative Assessment, and Strategic Plan for the Cosumnes Fire Department.
- Served in an oversight capacity for Citygate's Standards of Response Coverage study for the City of San Diego, CA.
- Served in an oversight capacity for a Fire Services Deployment and Departmental Performance Audit for the Santa Barbara County Fire Department.
- Served in an oversight capacity for an extensive Emergency Medical Services Organizational and Operational Review of the Los Angeles County Fire Department.
- Served in an oversight capacity for a Standards of Response Cover deployment analysis and geo-mapping software implementation for the Sacramento Metropolitan Fire District.
- Served in an oversight capacity for Citygate's Regional Fire Services Deployment Study for San Diego County, including 57 fire agencies in the County region. Citygate implemented a phased process designed to establish a blueprint for improving San Diego County's regional fire protection and emergency medical system.
- Served in an oversight capacity to conduct a Fire Department Organizational Review for the City of San Jose Fire Department.
- Served in an oversight capacity for an update of the City of Pasadena's Standards of Response Coverage plan.
- Currently assisting the Alameda County Health Care Services Agency as it redesigns and rebids EMS services in response to unprecedented fiscal pressures and emerging economics that have been driving many California EMS systems toward insolvency. Citygate's scope also includes a review of deployment and socio-economic data, as well as state health care reimbursement reform regulations.
- Served in an oversight capacity for a fire and emergency services study for the El Dorado Local Agency Formation Commission to evaluate fire services

countywide and to provide actionable recommendations on how to ensure sustainable, adequate, and cost effective coverage.

- Served in an oversight capacity for a Fire Services study for the Los Angeles County Fire Department, in cooperation with the City of Santa Clarita. The study assessed the adequacy and number of present and future station locations, as well as the adequacy of revenue to support the current and planned operations.
- Served in an oversight capacity to execute an Independent Financial Review of Elements related to the County's Ambulance RFP. Phase 1 consisted of evaluating the financial stability of the current Contra Costa County EMS system, while Phase 2 consisted of a financial review of bids for service received.
- Served in an oversight capacity for a project for the City of Oakland to conduct a comprehensive multi-hazard, all-risk fire service deployment study to analyze the City's fire services emergency response systems, and make recommendations for improvement of adding traditional resources and alternative and adaptive deployment models.

Mr. DeRoos is a member of several professional and civic associations. He has taught for the U.C. Davis Extension College and for graduate classes in Public Administration, Administrative Theory and Labor Relations for Golden Gate University, and Non Profit and Association Management for the University of Southern California. He speaks and trains frequently on the topic of Leadership, Character and Values, and has also been a speaker for the American Planning Association (APA), written for the California APA Newsletter and the California Redevelopment Journal, and has been a speaker on redevelopment, Base Closures, and related issues across the US. Mr. DeRoos holds a certificate in Public Sector Labor Management Relations from U.C. Davis, and is a Certified Management Consultant (CMC).

APPENDIX C

NON-COLLUSION AND NON CONFLICT OF INTEREST FORMS

NON-COLLUSION STATEMENT

"The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid."

Vendor Citygate Associates, LLC

Address 2250 E. Bidwell Street, Suite 100, Folsom, CA 95630

Phone Number (916) 458-5100 ext. 101

Fax Number (916) 983-2090

Email Address dderoos@citygateassociates.com

Bidder (Signature) _____

Position with Company President

Signature of Company Official Authorizing This Bid _____

Company Official (Printed Name) David C. DeRoos

Official Position President

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. *See* Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of person doing business with local governmental entity.**

Stewart Gary

2

☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money.**

None

4 **Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire.**

None

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person doing business with local governmental entity

FORM CIQ
Page 2

5 **Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.)**

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each affiliation or business relationship.

None

6 **Describe any other affiliation or business relationship that might cause a conflict of interest**

None

7

Signature of person doing business with the governmental entity

04/15/2016
Date

CONFLICT OF INTEREST QUESTIONNAIRE

As of January 1, 2006, the Texas Local Government Code Chapter 176 requires all vendors and potential vendors who contract or seek to contract for the sale or purchase of property, goods, or services with any local government to complete and submit a Conflict of Interest Questionnaire. In filling out the questionnaire, the following are current City Council members and City employees who may either recommend or approve bid awards.

City Council:	Mayor	Tom Reid
	Councilmember	Tony Carbone
	Councilmember	Derrick Reed
	Councilmember	Gary Moore
	Councilmember	Keith Ordeneaux
	Councilmember	Greg Hill

City Staff:

City Manager	Clay Pearson
Director of Finance	Cynthia Pearson
Asst. Director of Finance	Rick Overgaard
Purchasing Officer	Bob Pearce

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. *See* Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of person doing business with local governmental entity.**

Robert Meyer

2

☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money.**

None

4 **Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire.**

None

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person doing business with local governmental entity

FORM CIQ
Page 2

5 **Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.)**

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each affiliation or business relationship.

None

6 **Describe any other affiliation or business relationship that might cause a conflict of interest**

None

7

R. W. Meyer

Signature of person doing business with the governmental entity

04/15/2016

Date

CONFLICT OF INTEREST QUESTIONNAIRE

As of January 1, 2006, the Texas Local Government Code Chapter 176 requires all vendors and potential vendors who contract or seek to contract for the sale or purchase of property, goods, or services with any local government to complete and submit a Conflict of Interest Questionnaire. In filling out the questionnaire, the following are current City Council members and City employees who may either recommend or approve bid awards.

City Council:	Mayor	Tom Reid
	Councilmember	Tony Carbone
	Councilmember	Derrick Reed
	Councilmember	Gary Moore
	Councilmember	Keith Ordeneaux
	Councilmember	Greg Hill

City Staff:

City Manager	Clay Pearson
Director of Finance	Cynthia Pearson
Asst. Director of Finance	Rick Overgaard
Purchasing Officer	Bob Pearce

APPENDIX D

OTHER REQUIRED FORMS AND INFORMATION

(INCLUDING REFERENCES, SUPPLIER INFORMATION, CONTRACTOR QUESTIONNAIRE, INSURANCE REQUIREMENTS & AGREEMENT, AND ADDENDUM 1)

REFERENCES

Bidder must furnish, with this bid, a list of three (3) references from customers with a similar or larger operation as the City of Pearland. This document, or a similar version issued by your company, must be uploaded with your bid response.

Company Name: Santa Clara, CA

Contact: Bill Kelly, Fire Chief

Phone Number: (408) 615-4900

Email Address: wkelly@santaclaraca.gov

Company Name: Menlo Park Fire Protection District, CA

Contact: Harold Schapelhouman, Fire Chief

Phone Number: (650) 688-8426

Email Address: harolds@menlofire.org

Company Name: Carlsbad, CA

Contact: Michael Davis, Fire Chief

Phone Number: (760) 931-2141

Email Address: michael.davis@carlsbadca.gov

City of Pearland Texas

Bid Information

Bid Owner	Trish Erndt Buyer
Email	terndt@pearlandtx.gov
Phone	(281) 652-1767
Fax	(281) 652-1707
Bid Number	0316-25
Title	Fire Department Standards of Cover and Staffing Utilization Study
Bid Type	Request for Proposal
Issue Date	03/22/2016
Close Date	4/19/2016 2:00:00 PM Central

Contact Information

Address	3519 Liberty Drive Suite 201 Pearland, TX 77581
Contact	
Department	
Building	City Hall
Floor/Room	2nd Floor
Telephone	281 (652) 1790
Fax	281 (652) 1738
Email	ebids@pearlandtx.gov

Ship to Information

Address	
Contact	
Department	
Building	
Floor/Room	
Telephone	
Fax	
Email	

Supplier Information

Company Name	Citygate Associates, LLC
Contact Name	David C. DeRoos
Address	2250 E. Bidwell Street, Suite 100 Folsom, CA 95630
Telephone	(916) 458-5100 ext. 101
Fax	(916) 983-2090
Email	dderoos@citygateassociates.com

Supplier Notes

By submitting your response, you certify that you are authorized to represent and bind your company.

Signature

Date 04/15 /2016

Bid Notes

The City of Pearland seeks proposals from consultant agencies specializing in fire department organizations to conduct a standards of cover and staffing utilization study for the Pearland Fire Department.

Bid Activities

Bid Messages

Bid Attachments

The following attachments are associated with this opportunity and will need to be retrieved separately

Line	Filename	Description
Header	0316-25 RFP FD Standards of Cover and Staffing Utilization Study.pdf	Specifications
Header	Insurance Requirements.pdf	Insurance Requirements
Header	Local Bidder Preference Claim Form Revised.pdf	Local Bidder Preference
Header	Non-Collusion Statement Revised.pdf	Non-Collusion Statement

Header	Contractor Questionnaire Revised.pdf	Contractor Questionnaire
Header	Vendor References Revised.pdf	Vendor References
Header	CIQ - 2016.pdf	Conflict of Interest Questionnaire

Bid Attributes

Please review the following and respond where necessary

#	Name	Note	Response
1	Specification Acknowledgement	Bidder has reviewed specifications and agrees that their bid adheres fully. If not, bidder will need to provide written explanation of any exceptions. Valid Responses: [Please Select], Yes, No, explanation of exception is attached.	yes (Required)
2	Insurance Requirement Acknowledgement	I have read and agree to the City of Pearland's Contractor Insurance Requirements & Agreement.	yes (Required)
3	Local Bidder Preference Claim Form	Bidder claims Pearland local bidder preference, pursuant to provisions of Local Bidder Preference claim form and Texas Local Government Code, Chapter 271.9051. Valid Responses: [Please Select], Yes, I have included a notarized copy with my bid., No	no (Required)
4	Conflict of Interest Questionnaire	I am submitting a completed and signed copy of the Conflict of Interest Questionnaire.	yes (Required)
5	Non-Collusion Statement	I am submitting a completed and signed copy of the Non-Collusion Statement.	yes (Required)
6	Contractor Questionnaire	I am submitting a completed and signed copy of the Contractor Questionnaire.	yes (Required)
7	Vendor References	I have attached my company's list of references, as required.	yes (Required)

Line Items

Contractor Questionnaire

Yes	No	
☐	☑	1. Has the City of Pearland or other governmental entity incurred costs as a result of contested change order(s) from the undersigned company?
☐	☑	2. Has the City of Pearland or other governmental entity been involved in litigation relative to contract performance with the undersigned company?
☐	☑	3. Has the undersigned company failed to meet bid specifications or time limits on other contracts?
☐	☑	4. Has the undersigned company abandoned a contract or refused to perform without legal cause after submitting a bid?
☐	☑	5. Has the undersigned company had bidding errors or omissions in two or more bid submissions within a thirty six (36) month period?
☐	☑	6. Has the undersigned company failed to perform or performed unsatisfactory on two or more contracts within a thirty six (36) month period?
☑	☐	7. Does the undersigned company have adequate equipment, personnel and expertise to complete the proposed contract?
☐	☑	8. Does the undersigned company have a record of safety violations in two or more contracts within a thirty six (36) month period?
☐	☑	9. Does the undersigned have a criminal offense as an incident to obtaining or attempting to obtain a public or private contractor subcontract, or in the performance of such a contract or subcontract within a ten (10) year period?
☐	☑	10. Has the undersigned company been convicted of a criminal offense within a ten (10) year period of embezzlement, theft, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which might affect responsibility as a municipal contractor?
☐	☑	11. Has the undersigned company been convicted of state or federal antitrust statutes within a ten (10) year period arising out of submission of bids or proposals?
☐	☑	12. Has the undersigned company been disbarred or had a similar proceeding by another governmental entity?

If you answered "yes" to Items 1-6 or 8-12 or answered "no" to Item 7, please attach a full explanation to this questionnaire.

Company Name: Citygate Associates, LLC

Address: 2250 E. Bidwell St., Suite 100, Folsom, CA 95630

Name: David C. DeRoos (Please Print) Title: President (Please Print)

Signature: [signature] Date: 04/15/2016

City of Pearland

3519 Liberty Drive
Pearland, TX 77581

Purchasing Department
281.652.1790
Fax 281.652.1738

Contractor Insurance Requirements & Agreement

Requirements

Contractors performing work on City property or public right-of-way for the City of Pearland shall provide the City a certificate of insurance or a copy of their insurance policy(s) evidencing the coverages and coverage provisions identified herein. Contractors shall provide the City evidence that all subcontractors performing work on the project have the same types and amounts of coverages as required herein or that the subcontractors are included under the contractor's policy.

All insurance companies and coverages must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must be acceptable to the City of Pearland.

Listed below are the types and amounts of insurances required. The City reserves the right to amend or require additional types and amounts of coverages or provisions depending on the nature of the work.

	TYPE OF INSURANCE	AMOUNT OF INSURANCE	PROVISIONS
1.	Workers' Compensation Employers' Liability	Statutory Limits $100,000 per occurrence	City to be provided a **waiver of subrogation** and 30 day notice of cancellation or material change in coverage.
2.	Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Injury e) Contractual Liability	Personal Injury - $1,000,000 per person; Property Damage - $1,000,000 per occurrence ; General Aggregate - $1,000,000	City to be listed as **Additional Insured on Contractor's policy** and provided **30** day notice of cancellation or material change in coverage.
3.	Business Auto Liability to include coverage for: a) Owned/Leased vehicles b) Non-owned vehicles c) Hired vehicles	Combined Single Limit - $1,000,000	City shall be provided 30 day notice of cancellation or material change in coverage.

Certificate of Insurance forms may be **emailed** to: Purchasing Department at ebids@pearlandtx.gov. Questions regarding required insurance should be directed to Bob Pearce, City of Pearland Purchasing Officer, at bpearce@pearlandtx.gov.

This form must be signed and returned with your quotation. You are stating that you do have the required insurance and if selected to perform work for the City, will provide a certificate of insurance, and a copy of insurance policy with the above requirements to the City. **A purchase order will not be issued without evidence of required insurance.**

Agreement

I agree to provide the above described insurance coverages within 10 working days if selected to perform work for the City of Pearland. I also agree to provide the City evidence of insurance coverage on any and all subcontractors performing work on the project.

Project/Bid # 0316-25

Company: Citygate Associates, LLC

Printed Name: David C. DeRoos

The undersigned affirms that they are duly authorized to execute this contract, that this RFP has not been prepared in collusion with any other firm, and that the contents of this RFP have not been communicated to any other firm prior to the official opening of this RFP.

Signed By:	
Title:	President
Typed Name:	David C. DeRoos
Company Name:	Citygate Associates, LLC
Phone No.:	(916) 458-5100 ext. 101
Fax No.:	(916) 983-2090
Email:	dderoos@citygateassociates.com
Bid Address:	2250 E. Bidwell Street, Suite 100
P.O. Box or Street	
City, State ZIP	Folsom, CA 95630
Purch. Order Address:	Same as above
P.O. Box or Street	
City, State ZIP	
Remit Address:	Same as above
P.O. Box or Street	
City, State ZIP	
Federal Tax ID No.:	68-0447080
Date:	4/15/2016

Agreement
If a Contractor intends to request that the City of Pearland execute a Contractor agreement or contract form in connection with the award of this contract, said form must be submitted with the proposal for review by the City's legal counsel during the evaluation of proposals.

It shall be understood by all parties that all specifications herein shall apply to, and be construed as a binding part of, any contract awarded as a result of this RFP.

Communication
Prospective vendors shall communicate only with the Purchasing Division staff identified herein during the entire RFP process (from this solicitation to award). The City shall not be responsible for any verbal or non-verbal communication between a potential bidder and any other employees of the City; and such action may be cause for rejection of the

April 6, 2016

To All Prospective Respondents

RE: RFP #0316-25
FIRE DEPARTMENT STANDARDS OF COVER AND STAFFING UTILIZATION STUDY

ADDENDUM NO. 1

Vendor Inquiries:

1. Is it the City's intention to pursue Commission on Fire Accreditation International (CFAI) accreditation and formally submit the Standards of Cover (SOC) Report as the official CFAI accreditation document? **The City of Pearland will not be pursuing CFAI accreditation during the current or next fiscal year. However we do intend to pursue in the future, as our budget allows.**

2. The City indicates on page 11 of the RFP that it would like to use the 5th Edition of the Standards of Cover manual from the CFAI. The 6th edition will be the most current version when the project begins. Is it the City's desire to use this newer version instead? **If the 6th edition has been formally issued by the date of the bid award then that is the preferred edition. Otherwise the 5th edition is acceptable.**

3. On Page 11 of the RFP, the City requires a review and recommendations for the administrative support programs of the Department. A review of administrative support programs is not covered under the process outlined in the SOC manual. However, national best practices from CFAI are available, and used in the 9th Edition of the Fire Emergency Service Self-Assessment Manual. Is it the City's desire to use these FESSAM best practices to review the administrative programs? **It is preferred that the vendor use national and state recognized programs and standards as a basis for its recommendations for staffing of administrative support programs.**

4. Does the City expect the contractor to conduct a public input meeting, or interview only select groups to ascertain community expectations? **A public input meeting is desirable for the staffing study.**

5. Page 12 of the RFP requests the vendor to produce a Standards of Cover document. Our Technical Reports often contain both the SOC and administration findings and recommendations in one document. Is the City requesting two separate, stand-alone documents? **Vendors bidding on the Standards of Cover should provide a Standards of Cover document per CFAI standards. If the vendor has additional findings and recommendations then that may be an addendum or cover to the SOC.**

6. Items 2 and 3 on page 13 of the RFP are typically accomplished as part of a standard SOC analysis. Does the City desire that the risk and distribution/concentration assessments be duplicated for the separate reports? Also, if the City decides to move ahead with the Staffing Utilization Study only, will the distribution/concentration portion of an SOC be included as part of the Staffing Utilization Study as requested in the City RFP's requested Scope of Work? We are attempting to clarify to what degree the RFPs Scope of Work accurately reflects the City's wishes so that the three quotes we provide the City are as accurate as possible. **The City is seeking a bid for a stand-alone SOC proposal, a bid for a stand-alone Staffing Utilization Study and a bid for a hybrid version "SOC light" combined with a Staffing Utilization Study. If any of the three separate quotes use components of each other, then that is up to the individual vendor. The City may choose the SOC proposal alone or the SOC and SU together or the SU proposal alone or the Hybrid proposal alone.**

7. Item 1c in the RFP's SOC Scope of Work has a mixture of SOC and headquarters/programs, and item 1b in the RFP's staffing study seems identical to item 1c in the Standards of Cover study. Could these be studied once in the appropriate section, or should these elements be duplicated in each study? **Yes, if items are stated twice within one of the studies then covering it once within a study is acceptable.**

8. The City requests at least five references with full reference contact information for closely-related study experience. May proposers provide closely-related study experience without full reference information in addition to the five requested references? **Yes**

9. Does the City have a standard consulting contract it prefers that we utilize, and, if so, would the City like to provide it so that we can review it? **Contract has been attached.**

10. Citygate currently has a form 1295 signed and submitted to the Texas Ethics Commission due to a different fire services project in Texas. Is a new, separate form required for this project as well? **Yes**

11. Page 16 of the RFP indicates that "Travel expenses may NOT be billed directly or separately to the City." Will the City pay for travel expenses resulting from contracted work on this project IF they are included in the original contracted project cost? If so, would the City prefer that these travel expenses be identified as a line item in the proposed cost, or integrated into other costs, such as hourly rates? **The City will pay for travel expenses if they are part of the original proposal. You may include travel expenses as a separate line item.**

If we can be of further service, please do not hesitate to contact me at the email address listed below.

Sincerely,

Trish Erndt

Trish Erndt
Buyer
City of Pearland
terndt@pearlandtx.gov

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	Resolution No. R2016-129
DATE SUBMITTED:	July 1, 2016	**DEPT. OF ORIGIN:**	Finance
PREPARED BY:	Bob Pearce	**PRESENTOR:**	Clay Pearson
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: **Resolution No. R2016-129 - A Resolution of the City Council of the City of Pearland, Texas, awarding a bid to the Pearland Journal for the official newspaper of record for publishing City legal notices in the estimated amount of $15,000.00 for the period of July 24, 2016 to July 23, 2017.**

EXHIBITS: Resolution #R2016-129
Bid Tabulation
Legal Notice Samples

FUNDING:

	☐ **Grant**	☐ **Developer/Other**	☒ **Cash**
☐ **Bonds To Be Sold**	☐ **Bonds- Sold**	☐ **L/P – Sold**	☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $15,000 (est.)
AMOUNT AVAILABLE: $15,000
ACCOUNT NO.: Various Accounts

AMOUNT BUDGETED: $15,000
PROJECT NO.:

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:

Finance	**Legal**	**Ordinance**	**Resolution**

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to Article 10, Section 10.03 of the City Charter, the City Council is to contract annually with, and by resolution designate, a public newspaper of general circulation in the city as the official newspaper of record. This bid covers only publications of notices, ordinances and other matters required by City, State and Federal statutes to be published.

SCOPE OF CONTRACT
The awarded contractor shall provide advertising services for publication of legal advertisements on an as needed basis for the City of Pearland.

BID AND AWARD
Two (2) sealed bids were received June 28, 2016 for a unit price bid for publication of legal advertisements and for designating the official newspaper of record for the City of Pearland. Bid specifications required the submission of advertisement pricing per column inch, along with priced samples of the City's most common legal notices: invitations to bidders, City ordinance posting, and Planning/Zoning notices. Pearland Journal provided a price of $2.75 per column inch while The Reporter News provided pricing of $4.80 per column inch. Accordingly, the related notice sample pricing provided by Pearland Journal was lowest, and the Journal is therefore recommended for award. The Pearland Journal is the incumbent newspaper of record for the City, holding that designation since a Council award in July, 2013, and has provided excellent service during that time.

The term of this contract will be for a period of one (1) year, with two (2) one-year renewal options available upon the mutual agreement of both parties, and the approval of City Council. Bid specifications allow the contractor the opportunity to request a price increase at the time of any renewal in an amount not to exceed the percentage increase in the "All-Items" category of the Consumer Price Index for the Houston-Galveston-Brazoria region during the previous 12 month period.

SCHEDULE
Advertising services will occur as needed throughout the term of the agreement.

POLICY/GOAL CONSIDERATION
This purchase is recommended for the purpose of designating the official newspaper of record for the City of Pearland.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE
Funding for these services will come from various accounts.

RECOMMENDED ACTION

Staff recommends approval of a resolution to award a bid for the official newspaper of the City of Pearland to the Pearland Journal at a rate of $2.75 per column inch of legal advertisements.

RESOLUTION NO. R2016-129

A Resolution of the City Council of the City of Pearland, Texas, awarding a bid to the Pearland Journal for the official newspaper of record for publishing City legal notices in the estimated amount of $15,000.00 for the period of July 24, 2016 to July 23, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City solicited bids for the Official Newspaper of Record in the City.

Section 2. That the City Council hereby awards a bid to the Pearland Journal, at the rate of $2.75 per column inch of legal advertisements.

Section 3. The City Manager or his designee is hereby authorized to execute a contract with the Pearland Journal.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

Bid No. 0616-44

Official Newspaper for the City of Pearland

	Pearland Journal	**Reporter News**
Day of Publication	Thursday	Wednesday
Price per Column Inch	$2.75	$4.80
Price to print Exhibit A	$23.38	$48.00
Price to print Exhibit B	$15.13	$31.20
Price to print Exhibit C	$22.00	$40.80
Total to print All Exhibits	$60.51	$120.00

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: July 11, 2016	**ITEM NO.:** Resolution No. R2016-127
DATE SUBMITTED: June 30, 2016	**DEPT. OF ORIGIN:** Community Development
PREPARED BY: Lata Krishnarao	**PRESENTOR:** Lata Krishnarao
REVIEWED BY: Lata Krishnarao	**REVIEW DATE: July 5, 2016**

SUBJECT: Resolution No. R2016-127 – A Resolution of the City Council of the City of Pearland, Texas, authorizing city staff to proceed with acquisition of surveying services for proposed annexation of Areas A, B, C, and G, for an amount not to exceed 50,000.

EXHIBITS: Resolution No. R2016-127
Map of each area
Land Surveying Estimate

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☐ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $50,000
AMOUNT AVAILABLE: $50,000
ACCOUNT NO.: 010-1650-555-11-00

AMOUNT BUDGETED: $50,000
PROJECT NO.:

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The 2015 Comprehensive Plan identified areas appropriate for annexation and listed short term annexation as a Priority Action Task to be initiated in the first year of implementation. Staff is planning to proceed with Areas A, B, C, and G, in accordance with the recommended schedule that was discussed at City Council retreat and included in the memo sent to the City Council on May 30, 2016.

Areas A (NW corner of CR 59 & Kingsley)	September 2016 - August 2017
Areas B (SW corner of CR 59 & Kingsley)	September 2016 - August 2017
Areas C (NE corner of Country Place)	September 2016 – August 2017
Areas G (Harkey Road & Massey Tract)	June 2017 - May 2018

SCOPE OF CONTRACT/AGREEMENT

The first step with a long lead time is to prepare the surveys of the areas. This task includes data collection by researching city ordinances, MUD deeds, perimeter vesting deeds, current ownership information, and taxing status to determine agricultural exemptions. Based on the information researched, preliminary annexation maps will be prepared.

Staff is proposing to proceed with finalizing a contract to complete surveys for Areas A, B, C, G in FY 2016 and FY 2017, upon the mutual agreement of the parties, and the approval of City Council.

BID AND AWARD

Once this resolution is approved, staff will proceed with the selection of a surveying firm and enter into a contract.

SCHEDULE

Staff plans to commence surveys in September 2016 for Areas A, B, and C. It is estimated that the public hearings will be help in spring of 2017, and the annexation ordinance will be adopted in summer of 2017. Area G will follow a similar schedule, with the survey work starting in June 2017 and adoption of the ordinance in May 2018.

POLICY/GOAL CONSIDERATION

Annexation is a priority task in the City's 2015 Comprehensive Plan and the meets the City Council's goal of Healthy Economy.

CURRENT AND FUTURE CIP FUNDING /FINANCIAL IMPACTS/DEBT SERVICE

Funding for the surveys will come from the general funds.

Fiscal Year	2016	2017
Expenditure for surveys	$35,000	$15,000

RECOMMENDED ACTION

City Council consideration and approval of Resolution No. R2016-127, authorizing city staff to proceed with acquisition of surveying services for proposed annexation of Areas A, B, C, and G.

RESOLUTION NO. R2016-127

A Resolution of the City Council of the City of Pearland, Texas, authorizing the Staff to proceed with the acquisition of surveying services associated with proposed Annexation Areas A, B, C and G.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City Manager or his designee is hereby authorized to proceed with the acquisition of surveying services associated with proposed Annexation Areas A, B, C and G.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

MAP OF AREAS

Area A (NW corner of CR 59 & Kingsley Dr.)

Acreage: 208.68

Number of Parcels: 91

Number of Residential Parcels: 70

Located in MUD: N/A

Included in a SPA: No

Description: Area A is approximately 208 acres, located just south of Broadway St. on the west side of Kingsley Dr. It is adjacent to Southern Trails development, a planned subdivision with premier high value residential areas.

Area B (SW corner of CR 59 & Kingsley Dr.)

Acreage: 407

Number of Parcels: 31

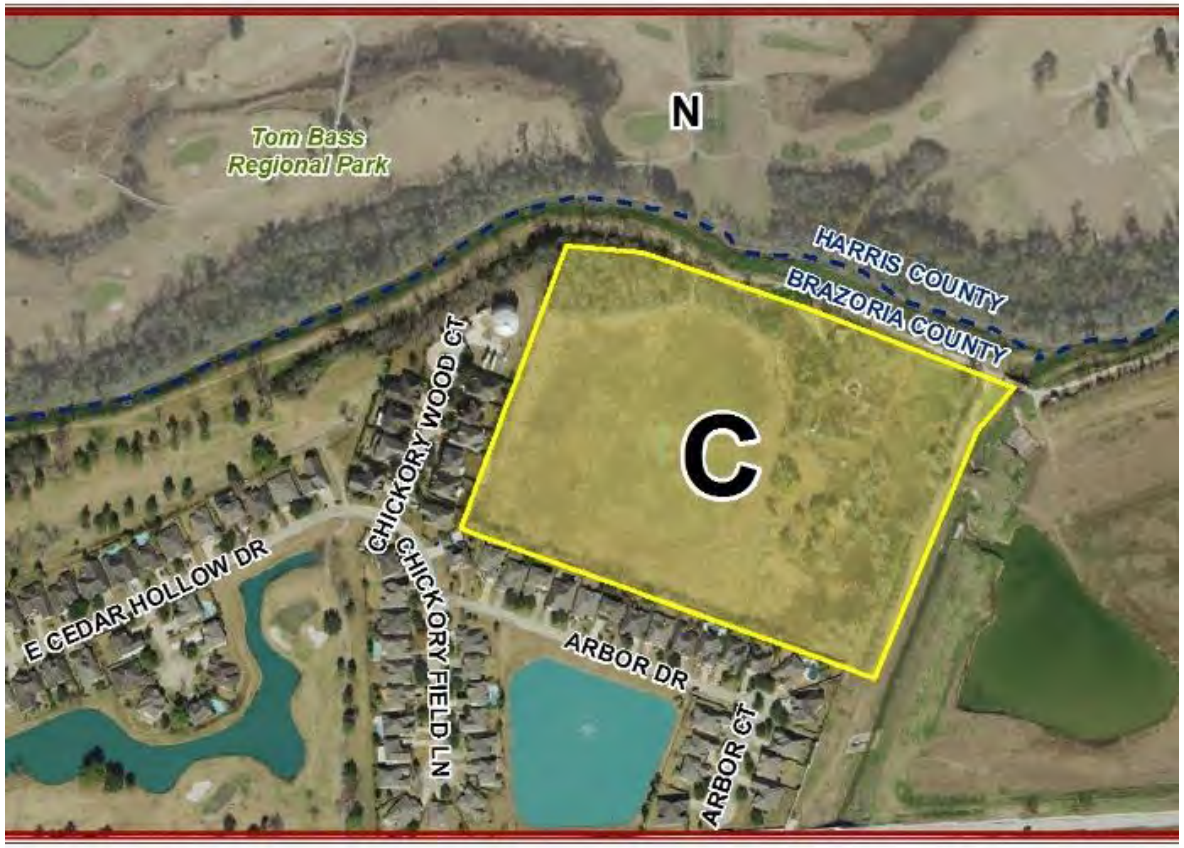
Number of Residential Parcels: 11

Located in MUD: N/A

Included in a SPA: No

Description: Area B is approximately 407 acres, located between CR 564 and CR 48. It is in close proximity to the Southern Trails and includes the location of the proposed new City water plant. County Road 48 is currently being widened to four lane with a median, and the County recently received funds to widen County Road 59. Both areas have substantial vacant land with potential for high quality development, if developed under City's codes and ordinances.

Area C (NE corner of Country Place)



Acreage: 17.61

Number of Parcels: 3

Number of Residential Parcels: 0

Located in MUD: N/A

Included in a SPA: No

Description: Area C is approximately 17 acres and located just north of McHard Rd. This area abuts Clear Creek. This area is predominantly vacant with a dilapidated structure. Annexation of this area will protect the nearby subdivision of Country Place. Proximity to Clear Creek and Tom Bass Regional Park will provide a possible opportunity to develop the trails along Clear Creek.

Area G (Harkey Road & Massey tract)

Acreage: 437.97

Number of Parcels: 112

Number of Residential Parcels: 79

Located in MUD: N/A

Included in SPA: No

Description: Area G is approximately 430 acres of mostly vacant land, south of CR 100. This area is south of CR 100 and extends north along Harkey Rd. For future developments in this area, development of Harkey Road would be critical to connect this area to SH 288 and SH 35 through Bailey Road and Magnolia Road corridors.

C. L. DAVIS & COMPANY
LAND SURVEYING
1500 Winding Way
Friendswood, Texas 77546
281.482.9490
FAX 281.482.1294
cldavis@cldaviscompany.com

June 16, 2016

EXHIBIT "A"

City of Pearland
Ms. Frankie Legaux, AICP
City Planner
3519 Liberty Drive
Pearland, Texas 77581

Re: City of Pearland 2016 Annexations
AREA A: (Northwest corner of CR 59 and Kingsley Drive)
AREA B: (Southwest corner of CR 59 and Kingsley Drive)
AREA C: (Northeast corner of Country Place)
AREA G: (Harkey Road and Massey tract)
Reference: C. L. Davis Job No. 11-421-141
Proposal No. 2016-097

Dear Ms. Legaux:

Our proposal for land surveying services for the above referenced project shall meet the requirements of 22 TAC 663.21 and shall be solely for the purpose of reconfiguring the boundary of the political boundary, specifically the City of Pearland and will not be based upon an On-the-Ground Survey.

AREA A: **Northwest corner of CR 59 and Kingsley Drive (See attached Exhibit)**

Task 1 - Data Collection

1. Prepare a table showing current ownership information, addresses and taxing status and obtain copies of the following:

A. City Ordinances
B. Municipal Utility District Deeds
C. Perimeter Vesting Deeds
D. Current ownership information (Name and mailing address of perimeter boundary Annexation tracts)
E. The taxing status of each tract within the delineated area in order to determine which, if any, of the tracts have an agricultural exemption

Subtotal ***$1,600.00***

<u>Task 2</u> – Review Data Collected and prepare Preliminary Annexation Map

1. Preparation of Preliminary Annexation Map

Fee based on the following levels of efforts:

Principal – 8 hours x 225	***$1,800.00***
R.P.L.S. – 24 hours x 150	***$3,600.00***
CAD – 24 hours x 110	***$2,640.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 0 hours x 80	***$0.00***
Subtotal	***$8,040.00***

2. Review with City Staff annexation boundaries utilizing Preliminary Annexation Map and Ownership Table to determine final annexation boundaries

Fee based on the following levels of efforts:

Principal – 4 hours x 225	***$900.00***
R.P.L.S. – 4 hours x 150	***$600.00***
CAD – 0 hours x 110	***$0.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 0 hours x 80	***$0.00***
Subtotal	***$1,500.00***

<u>Task 3</u> – Preparation of final legal description and Annexation Map

Fee based on the following levels of efforts:

Principal – 4 hours x 225	***$900.00***
R.P.L.S. – 16 hours x 150	***$2,400.00***
CAD – 0 hours x 110	***$0.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical –4 hours x 80	***$320.00***
Subtotal	***$3,620.00***

AREA A - Total..... $14,760.00

<u>AREA B</u>: **Southwest corner of CR 59 and Kingsley Drive (See Attached Exhibit)**

<u>Task 1</u> - Data Collection

1. Prepare a table showing current ownership information, addresses and taxing status and obtain copies of the following:

A. City Ordinances
B. Municipal Utility District Deeds
C. Perimeter Vesting Deeds
D. Current ownership information (Name and mailing address of perimeter boundary Annexation tracts)
E. The taxing status of each tract within the delineated area in order to determine which, if any, of the tracts have an agricultural exemption

Subtotal ***$800.00***

<u>Task 2</u> – Review Data Collected and prepare Preliminary Annexation Map

1. Preparation of Preliminary Annexation Map

Fee based on the following levels of efforts:

Principal – 4 hours x 225	***$900.00***
R.P.L.S. – 30 hours x 150	***$4,500.00***
CAD – 20 hours x 110	***$2,200.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 0 hours x 80	***$0.00***

Subtotal ***$7,600.00***

2. Review with City Staff annexation boundaries utilizing Preliminary Annexation Map and Ownership Table to determine final annexation boundaries

Fee based on the following levels of efforts:

Principal – 2 hours x 225	***$450.00***
R.P.L.S. – 2 hours x 150	***$300.00***
CAD – 0 hours x 110	***$0.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 0 hours x 80	***$0.00***

Subtotal ***$750.00***

<u>Task 3</u> – Preparation of final legal description and Annexation Map

Fee based on the following levels of efforts:

Principal – 4 hours x 225	***$900.00***
R.P.L.S. – 16 hours x 150	***$2,400.00***
CAD – 0 hours x 110	***$0.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 4 hours x 80	***$320.00***

Subtotal ***$3,620.00***

AREA B - Total $12,770.00

<u>AREA C</u>: **Northeast corner of Country Place (See Attached Exhibit)**

<u>Task 1</u> - Data Collection

1. Prepare a table showing current ownership information, addresses and taxing status and obtain copies of the following:

A. City Ordinances
B. Municipal Utility District Deeds
C. Perimeter Vesting Deeds
D. Current ownership information (Name and mailing address of perimeter boundary Annexation tracts)
E. The taxing status of each tract within the delineated area in order to determine which, if any, of the tracts have an agricultural exemption

Subtotal ***$500.00***

<u>Task 2</u> – Review Data Collected and prepare Preliminary Annexation Map

1. Preparation of Preliminary Annexation Map

Fee based on the following levels of efforts:

Principal – 4 hours x 225 ..... $900.00
R.P.L.S. – 8 hours x 150 ..... $1,200.00
CAD – 10 hours x 110 ..... $1,100.00
Three-man field crew – 0 hours x 185. ..... $0.00
Data Collector – 0 hours x 40 ..... $0.00
Clerical – 0 hours x 80 ..... $0.00

Subtotal $3,200.00

2. Review with City Staff annexation boundaries utilizing Preliminary Annexation Map and Ownership Table to determine final annexation boundaries

Fee based on the following levels of efforts:

Principal – 2 hours x 225 ..... $450.00
R.P.L.S. – 2 hours x 150 ..... $300.00
CAD – 0 hours x 110 ..... $0.00
Three-man field crew – 0 hours x 185. ..... $0.00
Data Collector – 0 hours x 40 ..... $0.00
Clerical – 0 hours x 80 ..... $0.00

Subtotal $750.00

<u>Task 3</u> – Preparation of final legal description and Annexation Map

Fee based on the following levels of efforts:

Principal – 4 hours x 225 ..... $900.00
R.P.L.S. – 6 hours x 150 ..... $900.00
CAD – 0 hours x 110 ..... $0.00
Three-man field crew – 0 hours x 185. ..... $0.00
Data Collector – 0 hours x 40 ..... $0.00
Clerical – 2 hours x 80 ..... $160.00

Subtotal $1,960.00

AREA C - Total $6,410.00

<u>AREA G</u>: **Harkey Road and Massey tract (See Attached Exhibit)**

<u>Task 1</u> - Data Collection

1. Prepare a table showing current ownership information, addresses and taxing status and obtain copies of the following:

A. City Ordinances
B. Municipal Utility District Deeds
C. Perimeter Vesting Deeds
D. Current ownership information (Name and mailing address of perimeter boundary Annexation tracts)
E. The taxing status of each tract within the delineated area in order to determine which, if any, of the tracts have an agricultural exemption

Subtotal $1,800.00

<u>Task 2</u> – Review Data Collected and prepare Preliminary Annexation Map

1. Preparation of Preliminary Annexation Map

Fee based on the following levels of efforts:

Principal – 4 hours x 225	***$900.00***
R.P.L.S. – 30 hours x 150	***$4,500.00***
CAD – 20 hours x 110	***$2,200.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 0 hours x 80	***$0.00***

Subtotal ***$7,600.00***

2. Review with City Staff annexation boundaries utilizing Preliminary Annexation Map and Ownership Table to determine final annexation boundaries

Fee based on the following levels of efforts:

Principal – 2 hours x 225	***$450.00***
R.P.L.S. – 2 hours x 150	***$300.00***
CAD – 0 hours x 110	***$0.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 0 hours x 80	***$0.00***

Subtotal ***$750.00***

<u>Task 3</u> – Preparation of final legal description and Annexation Map

Fee based on the following levels of efforts:

Principal – 4 hours x 225	***$900.00***
R.P.L.S. – 20 hours x 150	***$3,000.00***
CAD – 0 hours x 110	***$0.00***
Three-man field crew – 0 hours x 185.	***$0.00***
Data Collector – 0 hours x 40	***$0.00***
Clerical – 4 hours x 80	***$320.00***

Subtotal ***$4,220.00***

AREA G - Total $14,370.00

Total Amount of Proposal $48,310.00

Deliverables:

1. **Prepare four copies of the final draft documents for each annexation location that will be submitted to the City staff for review and comment.**
2. **Once the final documents are revised as per city comments, the Surveyor shall prepare, seal and sign the number of copies as specified by the City of the final documents for each annexation location.**
3. **The Surveyor shall also provide the City with a PDF file and an AutoCAD drawing of the exhibit and a MSWord document for each proposed Metes and Bounds for annexed areas.**

Tracts with agricultural tax exemptions will be saved and excepted out of the over-all annexation boundary by calling out the referenced vesting deed (Fee does not include preparation of Metes and Bounds description on each tract)

The Annexation Metes and Bounds will be based on course and distances recited in the description from recorded documents (such as deeds) and the recorded documents will be located on the Exhibit.

Any changes or revisions in the scope of the project after authorization to proceed will be billed on an hourly basis as described below:

• Principal	$225.00
• Registered Professional Land Surveyor (RPLS)	$150.00
• Technical/CAD	$110.00
• Three-man field crew	$185.00
• Data Collector	$40.00
• Clerical	$80.00

All surveying services are under the jurisdiction of the Texas Board of Land Surveying: 7701 North Lamar, Suite 400; Austin, Texas 78752; phone number: 512-452-9427. Any complaints about surveying services should be sent to the above address to the attention of Complaints Officer of the Board.

Thank you for the opportunity to submit this proposal and we look forward to working with you.

Sincerely,

C. L. Davis, R.P.L.S.

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	New Business No. 13
DATE SUBMITTED:	July 1, 2016	**DEPT. OF ORIGIN:**	Administration
PREPARED BY:	Eric Hammond	**PRESENTOR:**	Michael Leech
REVIEWED BY:	Trent Epperson	**REVIEW DATE:**	July 7, 2016

SUBJECT: Discussion Item regarding Right-of-Way Mowing

EXHIBITS: A – Thursday Packet Memo from June 9, 2016; B – Ordinance 633-4

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☒ **Cash**

☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $ **AMOUNT BUDGETED:** $ (FY16)
AMOUNT AVAILABLE: **NO.:**
ACCOUNT NO.

ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
Finance **Legal** **Ordinance** **Resolution**

EXECUTIVE SUMMARY

BACKGROUND

This item was placed on the May 23rd, Council agenda at the request of City Council. At that meeting Council requested Staff work with Brazoria Drainage District #4 (BDD4) to develop criteria and a protocol on how to maintain Right-of-Way ditches throughout the City of Pearland and more specifically how existing and potentially revised policy affect the areas of Stone, Max, Roy, Garden and O'Day Roads. Since that meeting staff has met twice with BDD4 to develop the criteria and have conducted a survey of the aforementioned areas.

The basis of the criteria was to establish easy measurables that indicate the reasonableness of requiring property owners to maintain the ditches adjacent to their property. Criteria are important to be as clear and consistent as possible, given the wide variety of circumstances across the City of Pearland to which we are responsible. The recommended criteria is discussed in detail below.

The survey captured the ditch depth, roadside slope, interior slope and photos of multiple points along each roadway. Additionally, this survey captured the current level of high grass & weed compliance along each of the roadways. The criteria was applied to the survey data to establish the limits of what would be maintained by the City if the criteria is adopted.

Brazoria Drainage District #4 Maintenance

BDD4 has identified the following roadways and limits as those they consider eligible for placement back onto their maintenance program. These areas were maintained by the BDD4 prior to annexation and are currently being considered without regard for depth, slope or thoroughfare criteria. These areas are included in the BDD4 named ditch system.

- Stone Road – Westside of road only from C.R. 403 to Clear Creek. (approximately 50% of the entire roadway)
- Max Road – Westside of road only from Lakeside Estates to Brookside (approximately 21 % of the roadway)
- Roy Road – Westside of road only from Hickory Slough to Brookside (approximately 26% of the entire roadway)
- Garden Road – Westside of road only from FM 518 to Hickory Slough (approximately 32% of the entire roadway)
- O'Day Road – Westside of road only from FM 518 to Bui Drive (approximately 40% of the entire roadway)

BDD4 will commit to mowing the above areas four times per year or approximately every 60-90 days during the growing season. Typically, this frequency of mowing will not meet the City's Ordinance.

With the support of BDD4 a slight increase in the compliance for these limited areas will be realized.

Current Compliance along Surveyed Roadways

During the survey, each roadway was evaluated for its current condition and level of maintenance being provided by the private landowner. This evaluation was broken into three categories; maintained, partially maintained and overgrown. The term maintained identified a property that was receiving regular maintenance. The term partially maintained identified a property that was receiving maintenance but in some cases the flow line of the ditch or back of right of way was not being maintained regularly. The omission could have been associated with the lack service by owner, frequency of rain with standing water in the ditch or overgrown brush lines extending into the right of way.

Lastly, the term overgrown identified an area that had not received maintenance services this year. The results of that survey are as follows:

- Stone Road – 13.40% of the road is overgrown, 9.27% of the area is partially maintained and the remaining 77.33% is currently maintained.
- Max Road – 9.86% of the road is overgrown, 6.9% of the road is partially groomed and the remaining 83.24% is currently maintained.
- Roy Road – 16.17% of the road is overgrown, 15.88% of the road is partially maintained and the remaining 67.95% is currently maintained
- Garden Road – 6.19% of the road is overgrown, 7.05% of the road is partially maintained and the remaining 86.75% of the road is currently being maintained
- O'Day Road – 9.09% of the road is overgrown, 7.27% is partially maintained and the remaining 83.64% is currently maintained

The following photos were captured as part of the right of way survey and identify examples of each term used when quantifying the level of landowner compliance along the surveyed roadways.

Photo of overgrown right of way:

Photo of partially maintained right of way:

Photo of maintained right of way:

Criteria Consideration

The proposed criteria includes the description of road type as identified in the City's Thoroughfare Plan, gradient or slope of the ditch, and the depth of a ditch as measured from the top of the roadside slope. The following is a detailed description of the three qualifiers that are recommended for a criteria-based program.

- **Major Collector and above** roadway classification – Per the City of Pearland's Thoroughfare Plan, a road must be identified as a Major Collector, Secondary Thoroughfare or Major Thoroughfare to qualify.
- **Depth of four feet or greater** – As measured from the top of roadside slope, a ditch must be a minimum of four feet deep to be qualify.
- **Slope greater than or equal to 3:1** – When calculating the gradient from the top of roadside slope to the flow line of the ditch, the slope must be greater than or equal to 3:1. OR the gradient from the back of the right of way slope to the flow line of the ditch must be greater than or equal to 3:1.

The logic behind the roadway classification, is that the Major Collector and above criteria excludes residential subdivisions. The depth and slope criteria exclude ditches that can be mowed by conventional push mowers, riding mowers, and/or string trimmers. City and BDD4 staff are in agreement with reasonableness of the recommended criteria.

The following picture denotes how the depth and slope measurements are determined.

Additional Considerations

- Properties mowed by BDD4 will still be subject to the City Ordinance 9 inch height restriction between BDD4 mowings.
- Moving to a criteria based mowing program will result in the City mowing some properties where the adjacent properties must be maintained by the property owners.
- A criteria-based program will result in some properties only partially meeting the criteria. A decision will need to be made as to whether the entire property is mowed by the City, if any portion meets the criteria, or a certain length or percentage of the ditch would need to meet the criteria to have the entire property mowed by the City.
- A criteria-based program would need to be applied throughout the City possibly bringing in additional properties for City maintenance located along other Major Collector and above roads such as Mykawa, Fite, Veterans, McLean, and Harkey, which will increase maintenance costs.
- Under the current policy, significant voluntary compliance has occurred by issuing Notice of Violation, which does not impose a fine. To date we have not issued citations, which would levy fines.

Options

The following are possible options:

1. Enforce the existing Ordinance. Ordinance 633-4 is attached.
2. Enforce the existing Ordinance, with BDD4 providing mowing at the locations and frequency indicated above. **(Recommended)**
3. Adopt a criteria-based mowing program where the City mows areas that meet the criteria, excluding the areas to be mowed by BDD4. An estimate of the costs to implement this option across the entire City is being developed and is expected to be available Monday night.
4. Adopt a criteria-based mowing program where the City mows areas that meet the criteria only where the property owner is not meeting the Ordinance. While initial cost will be lower, this option has the potential to eventually match the cost of Option 3 above. In addition, this will create an inconsistent application of resources which will be confusing to residents as to why some properties are mowed by the City and others are not.

Note: There are possible resources for individual hardship cases, where the property owner is physically or financially unable mow per the Ordinance. These include churches, Boy Scouts of America, the Neighborhood Center, etc. Staff is pursuing these options to develop a list that can be provided to property owners when the need arises.

RECOMMENDED ACTION

Discuss mowing maintenance policy and get direction on how to proceed moving forward.

Memo

To: Clay Pearson, City Manager

From: Eric Hammond, Right of Way Superintendent

CC: Trent Epperson, Assistant City Manager

Eric Wilson, Director of Public Works

Michael Leech, Assistant Director of Public Works

Mike Yost, Drainage District Superintendent

Roland Garcia, Assistant Fire Chief

6/9/2016
To: Mayor and City Council members
Further update on the conversations and evaluation, recommendation for forward, on private vs. public maintenance responsibilities. Clay

Date: June 7, 2016

Re: Right of Way Update – Collaboration towards expanded maintenance

Background

Attached is the previous memo dated May 3, 2016 regarding the Right-of-Way Mowing Transition, which documents the progress to date on the original 949 private parcels that previously received rough cut mowing from the City. At the time of the May memo, approximately 85% of the property owners were in compliance with the City Ordinance

The purpose of this memo is to provide an update on the Right-of-Way mowing program and coordinated efforts between Brazoria Drainage District #4 (BDD4) and the City. On May 23, 2016, Council directed staff to collaborate with the Drainage District and develop qualifying criteria for private landowners to receive right of way maintenance services.

Since May 23rd, City and District staff have met twice to discuss the program and outline a process for developing the desired criteria. Taking into consideration the roadways previously discussed by residents and several others identified by the District, staff conducted a survey of Stone, Max, Roy, Garden and O'Day Roads.

This survey captured the ditch depth, roadside slope, interior slope and photos of multiple points along each roadway. Additionally, this survey captured the current level of high grass & weed compliance along each of the roadways. The data was then used to develop criteria options and establishment of qualifying limits of each, within the listed roadways. City and District staff are in agreement with the methodology behind the survey and need for defined parameters prior to expanding the maintenance program community wide.

Criteria Consideration

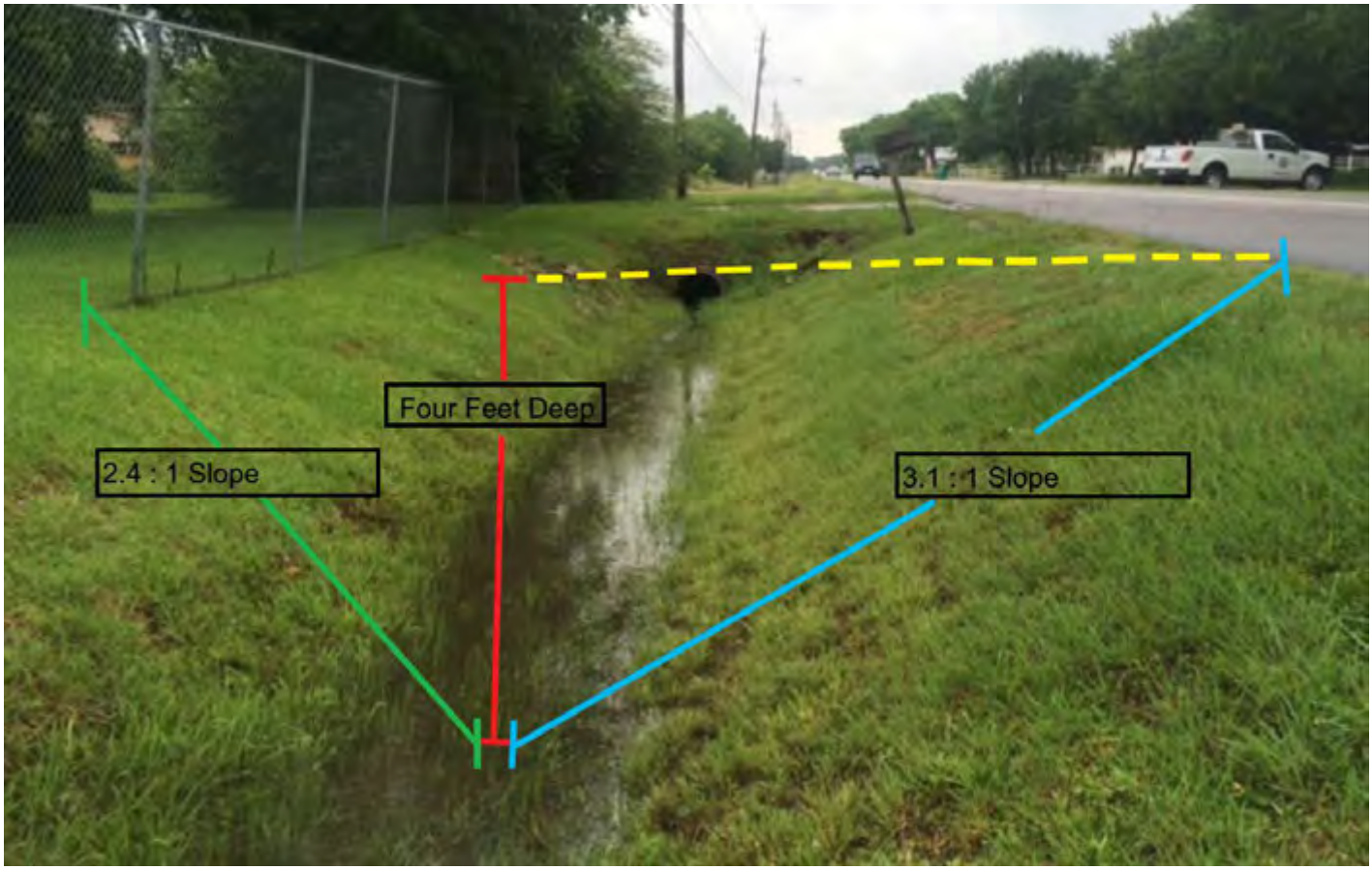
Currently, the proposed qualifiers range from the description of road type as identified by the City's Thoroughfare Plan, gradient or slope of the ditch and depth of a ditch as

measured from the top of the roadside slope. Although the process is advancing, a final recommendation of criteria has not been established at this time. Following is a detailed description of the three required qualifiers, currently being discussed.

- Major Collector Designation and above – Per the City of Pearland's Thoroughfare Plan, a road must be identified as a Major Collector, Secondary Thoroughfare or Major Thoroughfare to qualify, and;
- Depth of four feet or greater – As measured from the top of roadside slope, a ditch must be a minimum of four feet deep to be qualify, and;
- Slope greater than or equal to 3 : 1 – When calculating the gradient from the top of roadside slope to the flow line of the ditch, the slope must be greater than or equal to 3 : 1. OR the gradient from the back of the right of way slope to the flow line of the ditch must be greater than or equal to 3 : 1.

These qualifiers were developed in conjunction with BDD4 based on the following considerations:

- Traditional residential subdivision should not be included, so the minor collectors and residential streets should not be considered.
- A four foot depth is reasonable to mow regardless of slope
- Anything with a 3:1 slope or flatter can be mowed with a standard push or residential riding mower.



Drainage District's Suggested Maintenance

The District has identified the following roadways and limits as those they consider eligible for placement back onto their maintenance program. These areas were maintained by the District prior to annexation and are currently being considered without regard for depth, slope or thoroughfare criteria. The basis for this consideration is that these areas are a concern from a drainage perspective. The District's mowing frequency will be approximately every 8 weeks during the growing season with rough cut mowers. Based on that frequency these properties may not be able to meet the ordinance requirements without additional mowing.

- Stone Road – Westside of road only from C.R. 403 to Clear Creek. (approximately 50% of the entire roadway)
- Max Road – Westside of road only from Lakeside Estates to Brookside (approximately 21 % of the roadway)
- Roy Road – Westside of road only from Hickory Slough to Brookside (approximately 26% of the entire roadway)
- Garden Road – Westside of road only from FM 518 to Hickory Slough (approximately 32% of the entire roadway)
- O'Day Road – Westside of road only from FM 518 to Bui Drive (approximately 40% of the entire roadway)

Application of Criteria

The proposed criteria would be applied to the remained of the above named roads plus all other major collector and above roads within the City with open ditches. This would include roads such as Mykawa Road, Fite Road, Harkey Road, etc. Once the criteria is adopted, a final estimate on providing the mowing services can be developed. Based on past estimates, which did not necessarily include everything the criteria would encompass a very preliminary and general estimate to contract out the mowing is $250,000. We currently outsource the maintenance of 226 rough cut acres for $120,000 annually. Of which 77 acres are rights of way owned by the City in fee with the remainder being retention or undeveloped property also owned by the City. Prior to transitioning private property back to the landowner, we received a quote to maintain the rights of way for $476,844. Because of the unusually low price of our current contract, we estimate the potential impact of a change in ordinance to fall between the two quoted amounts.

One final note is that the properties or portions thereof, with the recent complaint may not meet this proposed criteria for City maintenance.

Current Compliance along Surveyed Roadways

During the survey, each roadway was evaluated for its current condition and level of maintenance being provided by the private landowner. This evaluation was broken into three categories; maintained, partially maintained and overgrown. The term maintained identified a property that was receiving regular maintenance. The term partially maintained identified a property that was receiving maintenance but in some cases the flowline of the ditch or back of right of way was not being maintained regularly. The omission could have been associated with the lack service by owner, frequency of rain with standing water in the ditch or overgrown brush lines extending into the right of way.

Lastly, the term overgrown identified an area that had not received maintenance services this year. The results of that survey are as follows:

- Stone Road – 13.40% of the road is overgrown, 9.27% of the area is partially maintained and the remaining 77.33% is currently maintained.
- Max Road – 9.86% of the road is overgrown, 6.9% of the road is partially groomed and the remaining 83.24% is currently maintained.
- Roy Road – 16.17% of the road is overgrown, 15.88% of the road is partially maintained and the remaining 67.95% is currently maintained
- Garden Road – 6.19% of the road is overgrown, 7.05% of the road is partially maintained and the remaining 86.75% of the road is currently being maintained
- O'Day Road – 9.09% of the road is overgrown, 7.27% is partially maintained and the remaining 83.64% is currently maintained

The following photos were captured as part of the right of way survey and identify examples of each term used when quantifying the level of landowner compliance along the surveyed roadways.

Photo of overgrown right of way:

Photo of partially maintained right of way:

Photo of maintained right of way:

Existing Ordinance

Staff are continuing to discuss criteria options and the potential impact of an ordinance change community wide. Topics such as current successes, the District's maintenance proposal and contractual services are all being considered. Additionally, because the enforcement of our High Grass & Weed Ordinance is an integral part of this program's success, staff are also discussing revisions to the ordinance that would support an addendum to the District's Memorandum of Understanding (MOU), as well as improve future enforcement practices.

With the support of Brazoria Drainage District #4 an immediate though slight increase in the compliance will be realized. However, the desire to absorb these areas outside of established criteria and within areas currently maintained by landowners, could have implications on the City's maintenance program and contractual services.

Next Steps

Staff plans to have an item on the June 27, 2016 City Council agenda to discuss the criteria and finalize the direction for the ditch mowing.

Upcoming ROW Mowing Contract

Unrelated to this rough cut mowing contract, the **renewal** of another grounds maintenance contract will be recommended for Council's consideration in July. This contract, titled Landscape Maintenance of Rights of Way and Medians II, includes 21 landscaped roadways which total 77.14 acres maintained at an annual cost of $295,509. Because of the incremental transition process from internal to outsourced services, there are currently several contracts associated with landscape maintenance. The intent is to consolidate this contract, with that recently approved, into one contract in the future.

Memo

To: Clay Pearson, City Manager

From: Eric Hammond, Right of Way Superintendent

CC: Trent Epperson, Assistant City Manage

Eric Wilson, Director of Public Works

Michael Leech, Assistant Director of Pul

Date: May 3, 2016

Re: Right of Way Transition Update

5/5/2016
To: Mayor and City Council members
FYI on the ongoing large work to transition back to property owners' their responsibilities for maintenance of property and adjacent public ROW. Largely successful, there are still areas that the owners need to follow their options, including the two folks who spoke at your last meeting on the topic. Ready to answer any question or thoughts as we work to be reasonable and fair to everybody. Clay

Background

The purpose of this memo is to provide an update on the Right-of-Way Transition Program, its implementation across the community and address concerns publically voiced at the April 25 City Council Meeting. In the fall of 2014, the Public Works Department, in conjunction with the Parks & Recreation Department, worked to transition the maintenance of private property back to the private landowner. At that time 949 private parcels were receiving rough cut maintenance services.

A plan was set into motion to align service levels with City Ordinance by March 1, 2015. Following the distribution of a mailed notification on January 8, 2015 and a final maintenance service provided by the Parks Department, landowners assumed responsibility of maintenance.

In July of 2015 an audit was conducted to quantify the successes of the program. At that time 68% of the landowners had assumed responsibility for maintenance and were ensuring compliance with Ordinance 633-4. A byproduct of this audit was the identification of several roadways that showed slower signs of compliance. These roads, deemed "hot spots" were identified as key areas of further focus and included Stone Road, Max Road, O'Day Road and Roy Road.

The hesitation to comply within these areas was also noted by Brazoria Drainage District #4 (BDD4), who after growing concern, contacted Public Works. A second audit was conducted in March of 2016 along specific portions of the "hot spot" roadways and those of highest concern for BDD4. The results of that audit are as follows.

- Stone Road – Western ROW, between Hughes Ranch and Clear Creek – 69% compliance by all landowners. However, a few landowners with large or vacant tracks are consistently non-compliant.
- Max Road – Western ROW, between Lake Side Estate to North City Limit – 60% compliance. Between BDD4's limit of concern only two non-compliant residents made up the shortfall.
- Roy Road – Western ROW, between Hickory Slough and North City Limit – 3% compliance. This road was identified as a top priority and became the focus of a major improvement initiative.

- O'Day Road – Western ROW, Gardenia to Rice – 68% compliance. One of the largest tracks of non-compliant property was recently identified as owned by the City in fee and will be added to the maintenance program.

Considering the success of the program community wide and the success beyond the isolated locations referenced above, the direction supported by BDD4 was to "stay the course" and allow the ordinance to govern responsibility.

Since the development of the original transition list in 2014, a second property research effort has taken place. This project consisted of procuring property deeds for all transitioned properties and reviewing each for any property owned by the City in fee. 96 parcels were ultimately returned to the City's maintenance program as a result of that effort and are currently maintained under contract.

In keeping with previous updates, Ordinance 633-4 Section 13 – 17 requires only that the turf not exceed a maximum height of nine inches. Because this Ordinance is not specific to methods or equipment used to achieve this height, City staff offer many suggestions to landowners when asked for guidance. Those suggestions include:

- Contractual Maintenance – inclusion of the private property into a new or existing contract managed by the resident. Upon request, a list of all contractors currently providing landscape services for the City is provided.
- Mechanical Control – through the use of multiples pieces of maintenance equipment, which can range from push or riding mowers to line trimmers and edgers.
- Chemical Control – through the implementation of a chemical control program many residents are able to maintain ordinance heights with intermittent effort. Residential products are available to the landowner at local hardware stores and through as needed applications, Ordinance can be maintained. Contact information for the AgriLife Extension Office is provided upon request to residents inquiring about chemical selection and application.

Recommendation

While there are approximately 12-15% of properties that are non-compliant, the Right of Way Transition Program continues to be a success. Although intermittent attention or maintenance may be required, it is recommended that we continue with the current process of working with property owners and Code Enforcement to ensure the Ordinance is met. This enables us to focus our public resources on public property while encouraging residents to assist in Keeping Pearland Beautiful.

Public Comments at the April 25th City Council Meeting

Specific to the two address discussed during City Council's April 25th meeting, 1508 Mykawa Road and 2453 Roy Road appear no different than other parcels within the Transition Program. In both cases, adjacent landowners are maintaining their property in accordance with City Ordinance and employing the range of techniques listed above to do so.

In the case of **1508 Mykawa Road**, the property ownership was researched in October 2015. At that time, it was confirmed that ownership and maintenance was the responsibility of the landowner. The Parks Department, as a standard offering throughout the transition period, offered an additional onetime mowing service to help the property owner in October of 2015. That offer was declined. The pictures below capture the property and two nearby properties on Mykawa being maintained by their respective landowner.

1508 Mykawa taken 5/4/16

1917 Mykawa taken 5/3/16

4702 Mykawa taken 5/3/16

In the case of **2453 Roy Road**, the property owner had received its final maintenance visit by the Parks Department prior to February 26, 2015. Request for drainage improvements were made by the property owner near this time and throughout the following months. The Streets and Drainage Division of Public Works generated and completed a work order to swab the flow line of the ditch and ensure proper drainage. The following photos were taken of 2453 Roy Road and adjacent residents employing many of the maintenance options above to ensure compliance with Ordinance.

2453 Roy as of 2/26/15

2453 Roy as of 5/5/16

Continuation of 2453 Roy as of 5/5/16

2430 Roy as of 4/25/16

2423 Roy as of 4/25/16 (next to 2453)

ORDINANCE NO. 633-4

An Ordinance of the City Council of the City of Pearland, Texas, amending Chapter 13, *Health and Sanitation*, Article II, Offensive Conditions, of the City of Pearland Code Of Ordinances, as it may have been, from time to time, amended; having a savings clause, a severability clause, and a repealer clause; providing for publication and codification.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That Article II of Chapter 13, *Offensive Conditions*, of the City of Pearland Code of Ordinances, is hereby amended to read as follows:

"Article II Weeds and other Offensive Conditions

Sec. 13-16. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Rubbish means nondecayable waste from a public or private establishment or residence.

Swimming pool means any structure, basin, chamber or tank containing a body of water utilized for private or public swimming, diving, bathing or the immersion or partial immersion therein of human beings, and having a depth of two (2) feet or more at any point, and located on premises outside of a residence, building or other structure. This definition shall also include hot tubs, whirlpools, and spas that are located outside of a residence, building or other structure and meeting the above water depth criteria.

Weeds means all rank and uncultivated vegetable growth or matter that may create an unsanitary condition, or become a harborage for rodents, vermin, or other disease-carrying pests, regardless of the height of the weeds.

Brush means trees, bushes, or shrubbery less than seven (7) feet in height which is not cultivated or cared for by a person who owns or controls the premises on which the brush exists.

(Ord. No. 633, § 1, 7-27-92; Ord. No. 633-1, § 1, 10-28-02)

Sec. 13-17. – Weeds and Offensive conditions.

(a) *Weeds.*

ORDINANCE NO. 633-4

(1) A person, owner, tenant, agent or person responsible for any premises, occupied or unoccupied, commits an offense if said person permits or allows weeds to grow on the premises to a greater height than nine (9) inches. Said premises shall include, but not be limited to, the parkway between sidewalk and the curb; the right-of-way between any fence, wall or barrier and the curb or pavement if such exists or the center line of said right-of-way; or the area between a fence, wall or barrier and within any abutting drainage channel easement to the top of such channel closest to the property.

(2) It shall be a defense to subsection (a)(1) that such vegetation upon such property is actually being used for agricultural purposes.

(3) With respect to uncultivated agricultural properties or tracts of land that contain no structures used or designed for human occupancy for residential or commercial purposes, a person, owner, tenant, agent or person responsible for such property commits an offense if said person permits or allows weeds to grow to greater height than twenty-four (24) inches within fifty (50) feet from any adjacent property under different ownership or any street right-of-way. However, on cultivated agricultural properties where the distance between the growing crop and abutting property under different ownership or street right-of-way is less than fifty (50) feet, the person, owner, tenant, agent or person responsible for such property commits an offense if said person permits or allows weeds to grow to a greater height than nine (9) inches.

(4) It is unlawful for any person to permit or allow any weeds, overgrown grass, or grass clippings to remain on:

(A) any part of a sidewalk that abuts any premises owned or controlled by such person; or

(B) any part of a street up to the centerline thereof, that abuts any premises owned or controlled by such person.

(b) *Undeveloped land.* Undeveloped land shall be cleared of all brush and undergrowth for a minimum distance of one hundred (100) feet where abutting developed areas and a minimum distance of fifty (50) feet along all abutting roadways. The requirements of Subsection (a) (1) above shall apply to the portions of undeveloped land that are within fifty (50) feet of abutting developed areas or twenty-five (25) feet of abutting public roadways.

(c) *Swimming pools.* A person, owner, tenant, agent or person responsible for any premises, occupied or unoccupied, commits an offense if said person maintains a swimming pool in a manner that creates an unsanitary condition likely to attract or harbor mosquitoes, rodents, vermin, or disease-carrying pests.

(d) *Rubbish.* A person, owner, tenant, agent or person responsible for any premises, occupied or unoccupied, commits an offense if said person keeps, stores, or accumulates thereon rubbish, including newspapers, abandoned vehicles,

refrigerators, stoves, furniture, tires, and cans, on said premises for ten (10) days or more, unless the rubbish is completely enclosed in a building and not visible from a public street or the premises is lawfully operated as a landfill.

(e) *Insects.* A person, owner, tenant, agent or person responsible for any premises, occupied or unoccupied, commits an offense if said person permits or allows upon those premises:

(1) A condition or place that is a breeding place for flies; or

(2) A collection of water that is a breeding place for mosquitoes.

(f) *Unsanitary conditions.* A person, owner, tenant, agent or person responsible for any premises, occupied or unoccupied, commits an offense if said person maintains those premises in a manner that creates an unsanitary condition likely to attract or harbor mosquitoes, rodents, vermin, or disease-carrying pests.

Sec. 13-18. - Notice to owner to remedy or remove condition—Generally.

(a) Whenever any condition described in this article is found to exist on any premises within the city, and the City of Pearland intends to utilize the subsequent provisions of this article to correct or remove the condition and assess the costs against the premises, the city shall notify the owner of such premises, in writing, to correct, remedy or remove the condition within ten (10) days after such notice and it shall be unlawful for any person to fail to comply with such notice.

(b) If the notice described in Subsection (a) must be given two (2) times within a six week period for any premises within the city, due to the reoccurrence thereon of a condition described in this article, then the owner of such premises shall be deemed to have notice of all subsequent reoccurrences of the same offensive condition upon the same premises for a period of twelve (12) months from the date of the said second notice, and no additional notices shall be necessary during that period for the City to provide before taking action to remedy the condition and assess the costs of such remedy against the premises.

Sec. 13-19. - Same—How given.

The notice provided for by this article shall be served personally on the owner to whom it is directed or shall be given by letter addressed to such owner at his last known post office address. In the event personal service cannot be made and the owner's address is unknown, such notice shall be given by publication at least two (2) times

within ten (10) consecutive days in a newspaper of general circulation published within the city."

Section 2. **Repealer.** All previously adopted water and sewer rate schedules in conflict herewith shall be and are hereby repealed but only to the extent of such conflict.

Section 3. **Savings.** All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.

Section 4. **Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 5. **Codification.** It is the intent of the City Council of the City of Pearland, Texas, that the provisions of this Ordinance shall be codified in the City's official Code of Ordinances as provided hereinabove.

Section 6. **Publication.** The City Secretary shall cause this Ordinance, or its caption and penalty, to be published in the official newspaper of the City of Pearland, upon passage of such Ordinance.

Section 7. **Effective Date.** This Ordinance shall become effective immediately upon passage.

ORDINANCE NO. 633-4

PASSED and APPROVED on First Reading this the 13th day of April A. D., 2015.

TOM REID
MAYOR

ATTEST:

YOUNG LORFING
CITY SECRETARY

APPROVED AS TO FORM:

DARRIN M. COKER
CITY ATTORNEY

PASSED and APPROVED on Second and Final Reading this the 27th day of April, A. D., 2015.

TOM REID
MAYOR

ATTEST:

YOUNG LORFING, TRMC
CITY SECRETARY

VOTING RECORD SECOND AND FINAL READING

April 27, 2015

Voting "Aye" - Councilmembers Carbone, Sherman, Ordeneaux and Moore.

Voting "No" – 0.
Motion passes 4 to 0. Councilmember Hill absent.

PUBLICATION DATE: April 30, 2015
EFFECTIVE DATE: 04-27-2015
PUBLISHED AS REQUIRED BY SECTION 3.10
OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

APPROVED AS TO FORM

DARRIN M. COKER
CITY ATTORNEY

Ordinance No. 633-4

STATE OF TEXAS
COUNTY OF BRAZORIA

Personally appeared before the undersigned, a Notary Public within and for said County and State. Buzz Crainer, Representative for Brenda Miller Fergerson, Publisher of the Pearland Journal, a newspaper of general circulation in the County of Brazoria, State of Texas. Who being duly sworn, states under oath that the report of Legal Notice, a true copy of Which is hereto annexed was published in said newspapers in its issue(s) of April 30, 2015.

Buzz Crainer
Publisher's Representative

Sworn to and subscribed before me this 30 day of April, 2015.

Sarah Rebecca Ferguson
Notary Public

My commission expires on 1·17·16

SARAH REBECCA FERGUSON
MY COMMISSION EXPIRES
January 17, 2016

ORDINANCE NO. 633-4

An Ordinance of the City Council of the City of Pearland, Texas, amending Chapter 13, Health and Sanitation, Article II, Offensive Conditions, of the City of Pearland Code Of Ordinances, as it may have been, from time to time, amended; having a savings clause, a severability clause, and a repealer clause; providing for publication and codification.

PASSED and APPROVED ON SECOND AND FINAL READING this the 27th day of

April, A. D., 2015.

_____/S/_____
TOM REID
MAYOR

ATTEST:

_____/S/_____
YOUNG LORFING, TRMC
CITY SECRETARY

VOTING RECORD SECOND AND FINAL READING
April 27, 2015
Voting "Aye" - Councilmembers Carbone, Sherman, Ordeneaux and Moore

Voting "No" – 0
Motion passes 4 to 0. Councilmember Hill absent.

PUBLICATION DATE: April 30, 2015
EFFECTIVE DATE: 04-27-2015
PUBLISHED AS REQUIRED BY SECTION 3.10 OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

APPROVED AS TO FORM

_____/S/_____
DARRIN M. COKER
CITY ATTORNEY

AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF:	July 11, 2016	**ITEM NO.:**	R2016-124
DATE SUBMITTED:	June 13, 2016	**DEPT. OF ORIGIN:**	Public Works
PREPARED BY:	Eric Hammond	**PRESENTOR:**	Michael Leech
REVIEWED BY:	Jon R. Branson	**REVIEW DATE:**	July 1, 2016

SUBJECT: Resolution No. R2016-124 A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for landscape maintenance services (medians and right of ways) with Maldonado Nursery and Landscaping, Inc., in the estimated amount of $295,509 for the period of July 20, 2016 through July 19, 2017.

EXHIBITS: R2016-124
Exhibit A - Bid Tabulation
Exhibit B - Maintenance Schedule
Exhibit C - Maintenance Map (All maintained locations – not exclusive of other contracts)
Exhibit D - Second Quarter Landscape Update
Exhibit E – Right of Way Update – Collaboration towards expanded maintenance

FUNDING:

☐ **Grant** ☐ **Developer/Other** ☒ **Cash**
☐ **Bonds To Be Sold** ☐ **Bonds- Sold** ☐ **L/P – Sold** ☐ **L/P – To Be Sold**

EXPENDITURE REQUIRED: $295,509 (est.) **AMOUNT BUDGETED:** $295,509.90
AMOUNT AVAILABLE: $295,509.90 **PROJECT NO.:**
ACCOUNT NO.: 100-305-315-5400-090
ADDITIONAL APPROPRIATION REQUIRED:
ACCOUNT NO.:
PROJECT NO.:

To be completed by Department:
X Finance **X Legal** **Ordinance** **X Resolution**

EXECUTIVE SUMMARY

BACKGROUND

The purpose of this request is to renew the contractual landscape maintenance program, with Maldonado Nursery and Landscape, throughout the City's landscaped medians and rights-of-way.

You may recall that on May 11, 2015 and again on May 5, 2016 City Council approved the renewal of a contract with Maldonado Nursery & Landscaping, Inc. to maintain 19 locations / 173 acres at a frequency of 48 maintenance cycles per year. The contract renewal identified within this request was an extension of the original program and added the remaining 21 medians and rights of way onto a landscape contract.

In May of 2015, the Parks Department was maintaining with in house resources, 21 median and right of way locations / 71 acres at a frequency of 48 times per year, as well as another 281 acres of vacant property, ditches and detention ponds at a frequency of 12 mows per year (the 281 acres were not included within the original requests or subsequent renewals; however, they were competitively bid and transitioned to a Rough Cut Landscape contract in January 2016).

In June of 2015, City Council approved a bid award for Maldonado Nursery & Landscape to provide maintenance services, including but not limited to grounds maintenance, tree care, irrigation maintenance, pest control, litter removal, turf care and plantings to those remaining 21 medians and rights of way. The purpose of this requested contract renewal is to continue the plan implemented at that time.

SCOPE OF CONTRACT

Renewal of existing contract approved in June of 2015 for one (1) year, with one (1) renewal option remaining upon the mutual agreement of the parties, and the approval of City Council.

BID AND AWARD

The City solicited competitive proposals for landscaping and maintenance of twenty-one locations initially and amended the list to include two additional locations described herein through the bid tabulation, Exhibit A. The City received four responses, with the low proposal from Maldonado Nursery & Landscaping, Inc.

The initial contract for mowing, edging, mulching, sprinkler maintenance, flowers and landscape services was for a period of one (1) year, with two (2) additional one (1) year renewal options. See attached list for maintained locations within this contract.

Maldonado Nursery & Landscaping, Inc. has agreed to renew their contracts with a 1.4% price increase (based on current CPI). Pricing for the final renewal period will be at the unit prices originally bid, plus 1.4%.

Additional information may be found in the attached exhibits.

SCHEDULE

Based on Maintenance Schedule, Exhibit B, for the period of July 20, 2016 through July 19, 2017.

POLICY/GOAL CONSIDERATION

Strategy 5.0 in the Pearland 20/20 Strategic Plan, facilitated by the PEDC and adopted by Council, relates to the development of a comprehensive beautification strategy and specific tactics related to the maintenance and standards along landscaped roads and corridors.

In keeping with that strategy, and recognizing the need for improvement in the appearance of our landscaped roadway areas, PEDC enlisted the support of a landscape architect to review and recommend service enhancements to the existing bid specifications and those recommendations were incorporated into the bids.

Transferring the roadway mowing responsibilities to the Public Works Department allowed for the implementation of the improved specification under one contract, ensuring consistent service throughout the community. The intent is to combine these maintenance contracts and improve the marketability of the program in the near future.

Proper grounds maintenance services are needed in order to complete City mowing projects for a well-maintained, aesthetically-pleasing community, and play a role in the economic development and image of the community. The Strategic Priority to provide reliable and well-maintained infrastructure relies heavily upon the support of landscape contracts such as this. Contracts that not only provide routine grounds maintenance but tree care, irrigation maintenance, pest control, litter removal, turf care, plantings and landscape maintenance. These steps combined, ensure the preservation of long term investments.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

Funding for the purchase of this service will come from the General Fund for Public Works. This contract will provide landscape maintenance services for the remainder of fiscal year 2016 and into fiscal year 2017.

Fiscal Year	2015	2016	2017
Expenditure	$282,657.00 (Internal Est.)	$267,000(Est.)	$295,509 (Est.)

RECOMMENDED ACTION

A resolution of the City Council of the City of Pearland, Texas renewing a unit supply contract for landscape maintenance services (medians and right of ways) with Maldonado Nursery & Landscaping, Inc., in the estimated amount of $295,509 for the period July 20, 2016 through July 19, 2017.

RESOLUTION NO. R2016-124

A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for landscape maintenance services (medians and right of ways) with Maldonado Nursery and Landscaping, Inc., in the estimated amount of $295,509 for the period of July 20, 2016 through July 19, 2017.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the City previously awarded a unit supply bid to Maldonado Nursery and Landscaping, Inc., for landscape maintenance services.

Section 2. That the City Council hereby renews a bid with Maldonado Nursery and Landscaping, Inc., in the estimated amount of $295,509.00.

Section 3. The City Manager or his designee is hereby authorized to execute a contract for the purchase of landscaping maintenance services.

PASSED, APPROVED and ADOPTED this the _____ day of _____, A.D., 2016.

_____
TOM REID
MAYOR

ATTEST:

_____
YOUNG LORFING, TRMC
CITY SECRETARY

APPROVED AS TO FORM:

_____
DARRIN M. COKER
CITY ATTORNEY

EXHIBIT A

Package	Location	2015 Annual Charges	1.4% CPI Increase	2016 Annual Charges with CPI Increase 1.4%
1	McLean - 2838 McLean to Fite Road	$2,402.37	$33.63	$2,436.00
2	Alvin City Limit Sign - Landscaped Sign on Hwy 35 South	$2,977.31	$41.68	$3,018.99
3	Friendswood City Limit Sign - Landscaping Sign on FM 518 East	$3,941.05	$55.17	$3,996.22
4	Yost Road - FM 518 To Clear Creek	$15,510.63	$217.15	$15,727.78
5	Scarsdale Road - Cleark Creek to Woods Ct.	$12,778.78	$178.90	$12,957.68
6	Pearland Parkway - Clear Creek to Beltway 8	$8,619.68	$120.68	$8,740.36
7	Schlider and Schlider Lot - Orange to Barry Rose, Including Lot At Corner of Barry Rose and Schlider	$3,468.64	$48.56	$3,517.20
8	Barry Rose Road - FM 518 To Pearland Parkway	$25,595.40	$358.34	$25,953.74
9	Hughes Road - Pearland Parkway to Riverstone Ranch School	$22,898.35	$320.58	$23,218.93
10	Walnut Road - Texas to Grand	$8,062.49	$112.87	$8,175.36
11	Grand Street - Walnut to E. Orange	$7,047.97	$98.67	$7,146.64
12	Beltway City Limit Sign - Clear Creek to Beltway 8	$7,233.24	$101.27	$7,334.51
13	McHard Phase 1 and 2 - Pearland Parkway to Hwy 35, Hwy 35 to Veterns	$51,458.21	$720.41	$52,178.62
14	Bailey Road - Hwy 35 To Veterns	$30,891.87	$432.49	$31,324.36
15	Oiler Drive - Hwy 35 to Pearland Parkway	$16,101.21	$225.42	$16,326.63
16	Smith Ranch Road - FM 518 to End of Medians	$8,973.36	$125.63	$9,098.99
17	FM 1128/Reid Road - FM 518 to Reid Blvd. Down Reid Blvd to End of Chain Link Fence on North Side	$3,630.32	$50.82	$3,681.14
18	Cullen Phase I, II, IV - FM 518 to North Fork, FM 518 to McHard, McHard to Clear Creek	$21,362.70	$299.08	$21,661.78
19	Old Town Monument - FM 518 at McLean/Walnut	$4,319.28	$60.47	$4,379.75
20	Corrigan South Medians - FM 518 to Camden	$1,185.38	$16.60	$1,201.98
21	Hughes Ranch Road - SH 288 Frontage Road to Smith Ranch Rd	$3,461.84	$48.47	$3,510.31
22	Extra Services	$5,043.80	$70.61	$5,114.41
23	Kirby Dr From CR59 To The Second Island From 518 (Class A work)	$19,420	271.88	$19,691.88
24	Kirby Dr From CR59 To The Second Island From 518 Setback Mow (Class B work)	$5,046	70.64	$5,116.64
		$291,429.88	$4,080.02	**$295,509.90**

EXHIBIT B

Maintenance Schedule

Landscape Maintenance of Additional Right of Ways and Medians II

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Mowing and edging Class A areas - 48 Visits	3	3	4	5	4	4	5	4	5	4	4	3
Mowing and edging Class B areas - 24 Visits	1	1	2	3	2	2	3	2	3	2	2	1
Trash removal from roadway	3	3	4	5	4	4	5	4	5	4	4	3
Fertilize Turf - Class A areas			1			1				1		
Fertilize Turf - Class B areas			1			1				1		
Summer Fertilize Turf - Class A areas						1						
Broadleaf herbicide application			1							1		
Monthly irrigation inspection	1	1	1	1	1	1	1	1	1	1	1	1
Quarterly irrigation inspection		1			1			1			1	
Prune shrubs and trim groundcovers	1			1			1			1		
Complete weeding of planting/shrub beds	1	1	2	2	2	2	2	2	2	2	1	1
Pre-emergent weed control*												
Dead heading of annuals/perennials	1	1	1	1	1	1	1	1	1	1	1	1
Prune/thin of ground cover			1			1			1			
Fertilize planting/shrub beds			1						1			
Cultivate planting/shrub beds			1						1			
Changeout seasonal color				1						1		
Mulching of planting/shrub beds			1			1			1			
Weed control in hardscape	1	1	1	1	1	1	1	1	1	1	1	1
Fire ant spot treatment	1	1	1	1	1	1	1	1	1	1	1	1
Removal of sucker growth from trees	1	1	1	1	1	1	1	1	1	1	1	1
Annual tree pruning**												
Cultivate tree rings and tree areas			1						1			
Mulching of tree rings and tree areas			1			1			1			

*Twice A Year, As Needed; At Contractor's Discretion.

**Annual Tree pruning shall take place between December 1 and February 28

Exhibit C

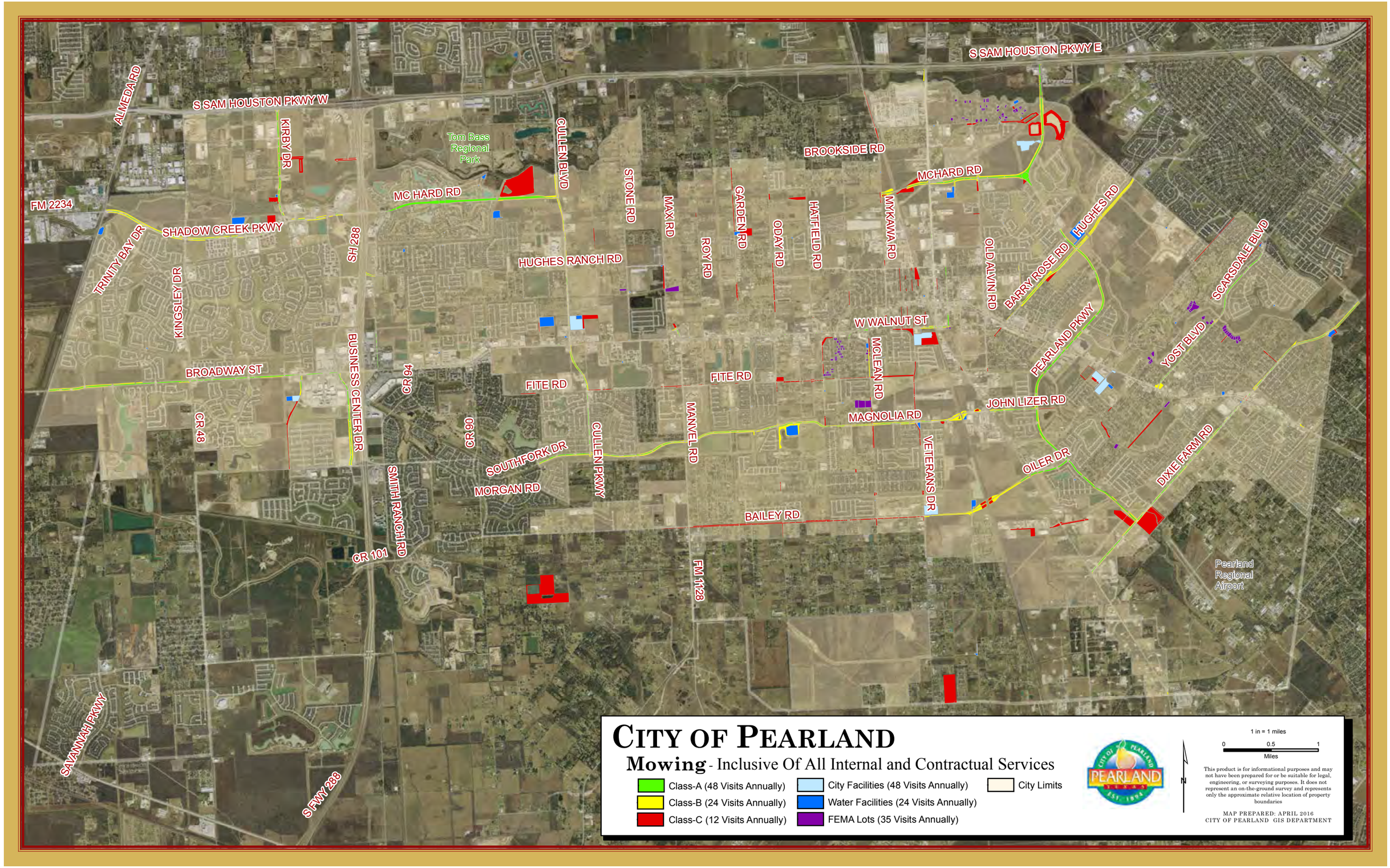

S SAM HOUSTON PKWY E
S SAM HOUSTON PKWY W
ALMEDA RD
KIRBY DR
Tom Bass Regional Park
CULLEN BLVD
STONE RD
MAX RD
ROY RD
GARDEN RD
ODAY RD
HATFIELD RD
MYKAWA RD
BROOKSIDE RD
MCHARD RD
HUGHES RD
OLD ALVIN RD
BARRY ROSE RD
SCARSDALE BLVD
FM 2234
SHADOW CREEK PKWY
MC HARD RD
TRINITY BAY DR
KINGSLEY DR
SH 288
HUGHES RANCH RD
W WALNUT ST
PEARLAND PKWY
YOST BLVD
BROADWAY ST
BUSINESS CENTER DR
CR 94
FITE RD
MCLEAN RD
JOHN LIZER RD
MAGNOLIA RD
CR 48
CR 90
CULLEN PKWY
MANVEL RD
VETERANS DR
OILER DR
DIXIE FARM RD
SOUTHFORK DR
SMITH RANCH RD
MORGAN RD
BAILEY RD
CR 101
FM 1128
Pearland Regional Airport
SAVANNAH PKWY
S FWY 288
CITY OF PEARLAND
Mowing - Inclusive Of All Internal and Contractual Services
Class-A (48 Visits Annually)
Class-B (24 Visits Annually)
Class-C (12 Visits Annually)
City Facilities (48 Visits Annually)
Water Facilities (24 Visits Annually)
FEMA Lots (35 Visits Annually)
City Limits
PEARLAND
1 in = 1 miles
0 0.5 1
Miles
N
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries
MAP PREPARED: APRIL 2016
CITY OF PEARLAND GIS DEPARTMENT

Exhibit D

Memo

To: Clay Pearson, City Manager

From: Eric Hammond, Right of Way Superintendent

CC: Trent Epperson, Assistant City Manager

Eric Wilson, Director of Public Works

Michael Leech, Assistant Director of Public W

5/5/2016
To: Mayor and City Council members
Background and pictures of progress and forthcoming continuation consideration of our maintenance on portion of public right-of-way and property. Clay

Date: May 2, 2016

Re: Second Quarter Landscape Update (Jan – Mar)

In October of 2015, the Pearland City Council funded a budget to support the contracted grounds maintenance program of several City owned properties. Since the adoption of that budget, key improvement efforts have been conducted within the facility and right-of-way landscapes.

Examples of these improvements range from timely grounds maintenance, landscape installations and irrigation repairs. The landscape budget is appropriately funded to make necessary enhancements and ensure those improvements are sustained. As such, we anticipate continued progress within our facility and right-of-way landscapes.

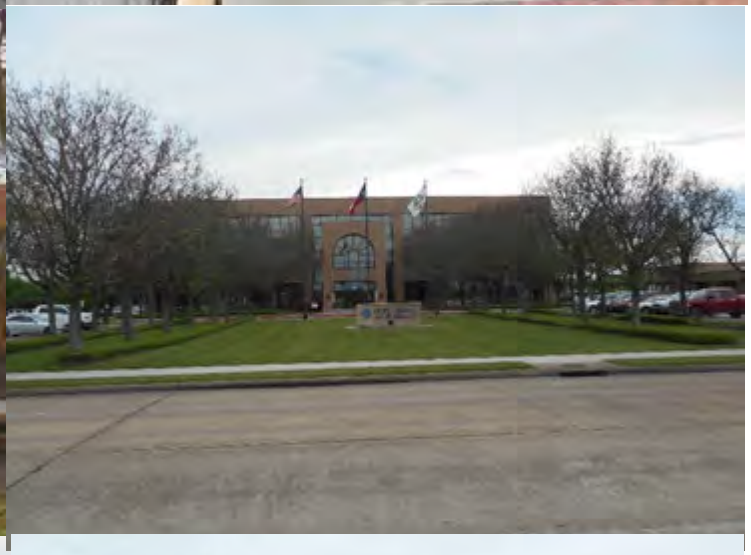
At the May 23, 2016 City Council meeting, the renewal of our main landscaping contract is scheduled for its final one year extension option. The extension of this program is a key component in ensuring landscape enhancements and routine maintenance across the community.

The following photos identify the improvement in service levels and aesthetics, throughout the recent months.

Before photos:

After photos:

Additional Enhancement & Maintenance Photos:



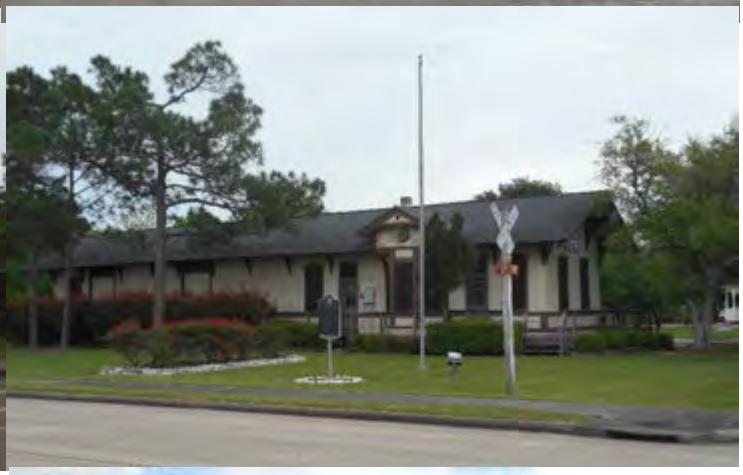


Exhibit E

Memo

To: Clay Pearson, City Manager

From: Eric Hammond, Right of Way Superintendent

CC: Trent Epperson, Assistant City Manager

Eric Wilson, Director of Public Works

Michael Leech, Assistant Director of Public Works

Mike Yost, Drainage District Superintendent

Roland Garcia, Assistant Fire Chief

6/9/2016
To: Mayor and City Council members
Further update on the conversations and evaluation, recommendation for forward, on private vs. public maintenance responsibilities. Clay

Date: June 7, 2016

Re: Right of Way Update – Collaboration towards expanded maintenance

Background

Attached is the previous memo dated May 3, 2016 regarding the Right-of-Way Mowing Transition, which documents the progress to date on the original 949 private parcels that previously received rough cut mowing from the City. At the time of the May memo, approximately 85% of the property owners were in compliance with the City Ordinance

The purpose of this memo is to provide an update on the Right-of-Way mowing program and coordinated efforts between Brazoria Drainage District #4 (BDD4) and the City. On May 23, 2016, Council directed staff to collaborate with the Drainage District and develop qualifying criteria for private landowners to receive right of way maintenance services.

Since May 23rd, City and District staff have met twice to discuss the program and outline a process for developing the desired criteria. Taking into consideration the roadways previously discussed by residents and several others identified by the District, staff conducted a survey of Stone, Max, Roy, Garden and O'Day Roads.

This survey captured the ditch depth, roadside slope, interior slope and photos of multiple points along each roadway. Additionally, this survey captured the current level of high grass & weed compliance along each of the roadways. The data was then used to develop criteria options and establishment of qualifying limits of each, within the listed roadways. City and District staff are in agreement with the methodology behind the survey and need for defined parameters prior to expanding the maintenance program community wide.

Criteria Consideration

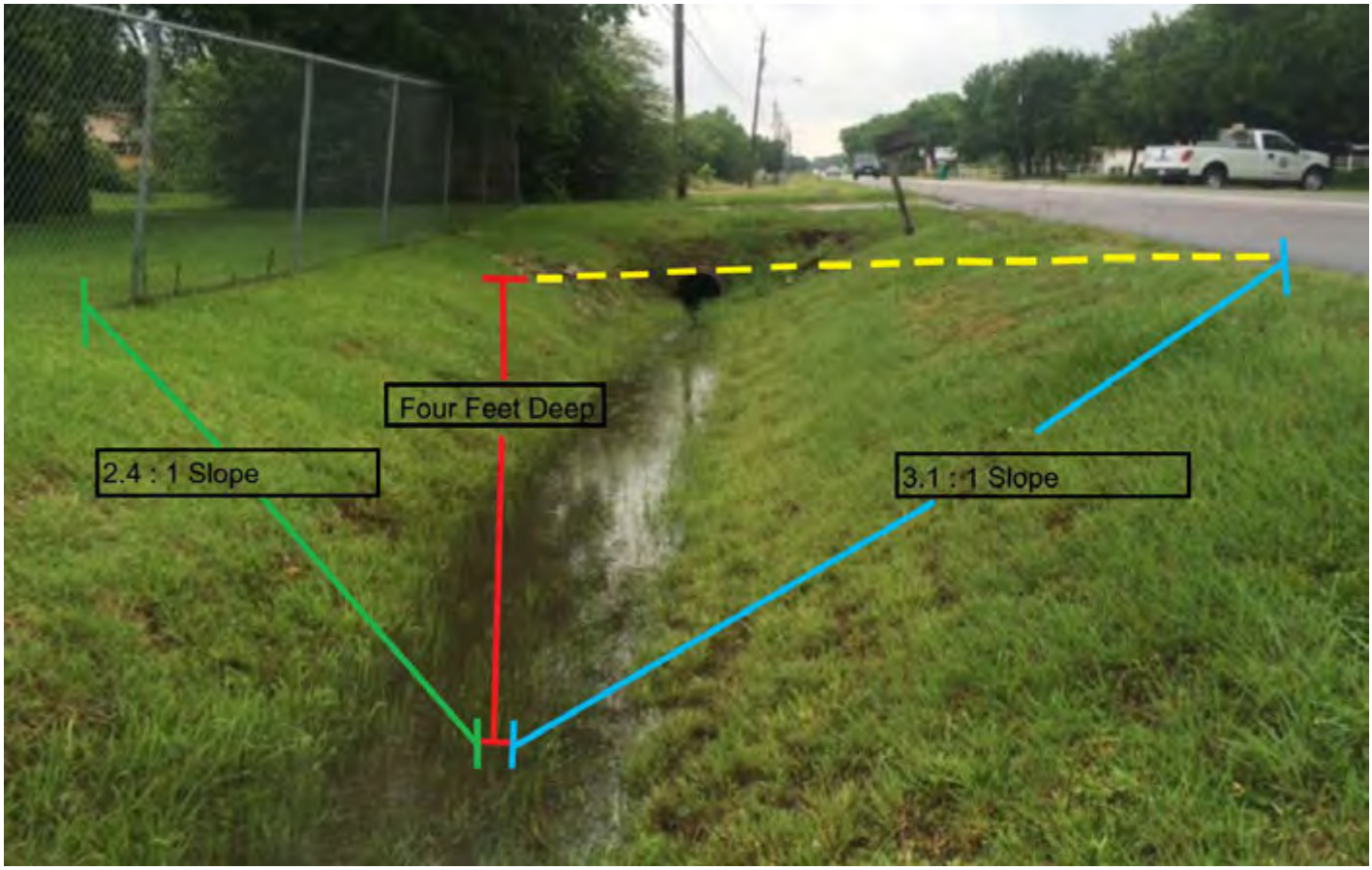
Currently, the proposed qualifiers range from the description of road type as identified by the City's Thoroughfare Plan, gradient or slope of the ditch and depth of a ditch as

measured from the top of the roadside slope. Although the process is advancing, a final recommendation of criteria has not been established at this time. Following is a detailed description of the three required qualifiers, currently being discussed.

- Major Collector Designation and above – Per the City of Pearland's Thoroughfare Plan, a road must be identified as a Major Collector, Secondary Thoroughfare or Major Thoroughfare to qualify, and;
- Depth of four feet or greater – As measured from the top of roadside slope, a ditch must be a minimum of four feet deep to be qualify, and;
- Slope greater than or equal to 3 : 1 – When calculating the gradient from the top of roadside slope to the flow line of the ditch, the slope must be greater than or equal to 3 : 1. OR the gradient from the back of the right of way slope to the flow line of the ditch must be greater than or equal to 3 : 1.

These qualifiers were developed in conjunction with BDD4 based on the following considerations:

- Traditional residential subdivision should not be included, so the minor collectors and residential streets should not be considered.
- A four foot depth is reasonable to mow regardless of slope
- Anything with a 3:1 slope or flatter can be mowed with a standard push or residential riding mower.



Drainage District's Suggested Maintenance

The District has identified the following roadways and limits as those they consider eligible for placement back onto their maintenance program. These areas were maintained by the District prior to annexation and are currently being considered without regard for depth, slope or thoroughfare criteria. The basis for this consideration is that these areas are a concern from a drainage perspective. The District's mowing frequency will be approximately every 8 weeks during the growing season with rough cut mowers. Based on that frequency these properties may not be able to meet the ordinance requirements without additional mowing.

- Stone Road – Westside of road only from C.R. 403 to Clear Creek. (approximately 50% of the entire roadway)
- Max Road – Westside of road only from Lakeside Estates to Brookside (approximately 21 % of the roadway)
- Roy Road – Westside of road only from Hickory Slough to Brookside (approximately 26% of the entire roadway)
- Garden Road – Westside of road only from FM 518 to Hickory Slough (approximately 32% of the entire roadway)
- O'Day Road – Westside of road only from FM 518 to Bui Drive (approximately 40% of the entire roadway)

Application of Criteria

The proposed criteria would be applied to the remained of the above named roads plus all other major collector and above roads within the City with open ditches. This would include roads such as Mykawa Road, Fite Road, Harkey Road, etc. Once the criteria is adopted, a final estimate on providing the mowing services can be developed. Based on past estimates, which did not necessarily include everything the criteria would encompass a very preliminary and general estimate to contract out the mowing is $250,000. We currently outsource the maintenance of 226 rough cut acres for $120,000 annually. Of which 77 acres are rights of way owned by the City in fee with the remainder being retention or undeveloped property also owned by the City. Prior to transitioning private property back to the landowner, we received a quote to maintain the rights of way for $476,844. Because of the unusually low price of our current contract, we estimate the potential impact of a change in ordinance to fall between the two quoted amounts.

One final note is that the properties or portions thereof, with the recent complaint may not meet this proposed criteria for City maintenance.

Current Compliance along Surveyed Roadways

During the survey, each roadway was evaluated for its current condition and level of maintenance being provided by the private landowner. This evaluation was broken into three categories; maintained, partially maintained and overgrown. The term maintained identified a property that was receiving regular maintenance. The term partially maintained identified a property that was receiving maintenance but in some cases the flowline of the ditch or back of right of way was not being maintained regularly. The omission could have been associated with the lack service by owner, frequency of rain with standing water in the ditch or overgrown brush lines extending into the right of way.

Lastly, the term overgrown identified an area that had not received maintenance services this year. The results of that survey are as follows:

- Stone Road – 13.40% of the road is overgrown, 9.27% of the area is partially maintained and the remaining 77.33% is currently maintained.
- Max Road – 9.86% of the road is overgrown, 6.9% of the road is partially groomed and the remaining 83.24% is currently maintained.
- Roy Road – 16.17% of the road is overgrown, 15.88% of the road is partially maintained and the remaining 67.95% is currently maintained
- Garden Road – 6.19% of the road is overgrown, 7.05% of the road is partially maintained and the remaining 86.75% of the road is currently being maintained
- O'Day Road – 9.09% of the road is overgrown, 7.27% is partially maintained and the remaining 83.64% is currently maintained

The following photos were captured as part of the right of way survey and identify examples of each term used when quantifying the level of landowner compliance along the surveyed roadways.

Photo of overgrown right of way:

Photo of partially maintained right of way:

Photo of maintained right of way:

Existing Ordinance

Staff are continuing to discuss criteria options and the potential impact of an ordinance change community wide. Topics such as current successes, the District's maintenance proposal and contractual services are all being considered. Additionally, because the enforcement of our High Grass & Weed Ordinance is an integral part of this program's success, staff are also discussing revisions to the ordinance that would support an addendum to the District's Memorandum of Understanding (MOU), as well as improve future enforcement practices.

With the support of Brazoria Drainage District #4 an immediate though slight increase in the compliance will be realized. However, the desire to absorb these areas outside of established criteria and within areas currently maintained by landowners, could have implications on the City's maintenance program and contractual services.

Next Steps

Staff plans to have an item on the June 27, 2016 City Council agenda to discuss the criteria and finalize the direction for the ditch mowing.

Upcoming ROW Mowing Contract

Unrelated to this rough cut mowing contract, the **renewal** of another grounds maintenance contract will be recommended for Council's consideration in July. This contract, titled Landscape Maintenance of Rights of Way and Medians II, includes 21 landscaped roadways which total 77.14 acres maintained at an annual cost of $295,509. Because of the incremental transition process from internal to outsourced services, there are currently several contracts associated with landscape maintenance. The intent is to consolidate this contract, with that recently approved, into one contract in the future.

Memo

To: Clay Pearson, City Manager

From: Eric Hammond, Right of Way Superintendent

CC: Trent Epperson, Assistant City Manage

Eric Wilson, Director of Public Works

Michael Leech, Assistant Director of Pul

Date: May 3, 2016

Re: Right of Way Transition Update

5/5/2016
To: Mayor and City Council members
FYI on the ongoing large work to transition back to property owners' their responsibilities for maintenance of property and adjacent public ROW. Largely successful, there are still areas that the owners need to follow their options, including the two folks who spoke at your last meeting on the topic. Ready to answer any question or thoughts as we work to be reasonable and fair to everybody. Clay

Background

The purpose of this memo is to provide an update on the Right-of-Way Transition Program, its implementation across the community and address concerns publically voiced at the April 25 City Council Meeting. In the fall of 2014, the Public Works Department, in conjunction with the Parks & Recreation Department, worked to transition the maintenance of private property back to the private landowner. At that time 949 private parcels were receiving rough cut maintenance services.

A plan was set into motion to align service levels with City Ordinance by March 1, 2015. Following the distribution of a mailed notification on January 8, 2015 and a final maintenance service provided by the Parks Department, landowners assumed responsibility of maintenance.

In July of 2015 an audit was conducted to quantify the successes of the program. At that time 68% of the landowners had assumed responsibility for maintenance and were ensuring compliance with Ordinance 633-4. A byproduct of this audit was the identification of several roadways that showed slower signs of compliance. These roads, deemed "hot spots" were identified as key areas of further focus and included Stone Road, Max Road, O'Day Road and Roy Road.

The hesitation to comply within these areas was also noted by Brazoria Drainage District #4 (BDD4), who after growing concern, contacted Public Works. A second audit was conducted in March of 2016 along specific portions of the "hot spot" roadways and those of highest concern for BDD4. The results of that audit are as follows.

- Stone Road – Western ROW, between Hughes Ranch and Clear Creek – 69% compliance by all landowners. However, a few landowners with large or vacant tracks are consistently non-compliant.
- Max Road – Western ROW, between Lake Side Estate to North City Limit – 60% compliance. Between BDD4's limit of concern only two non-compliant residents made up the shortfall.
- Roy Road – Western ROW, between Hickory Slough and North City Limit – 3% compliance. This road was identified as a top priority and became the focus of a major improvement initiative.

- O'Day Road – Western ROW, Gardenia to Rice – 68% compliance. One of the largest tracks of non-compliant property was recently identified as owned by the City in fee and will be added to the maintenance program.

Considering the success of the program community wide and the success beyond the isolated locations referenced above, the direction supported by BDD4 was to "stay the course" and allow the ordinance to govern responsibility.

Since the development of the original transition list in 2014, a second property research effort has taken place. This project consisted of procuring property deeds for all transitioned properties and reviewing each for any property owned by the City in fee. 96 parcels were ultimately returned to the City's maintenance program as a result of that effort and are currently maintained under contract.

In keeping with previous updates, Ordinance 633-4 Section 13 – 17 requires only that the turf not exceed a maximum height of nine inches. Because this Ordinance is not specific to methods or equipment used to achieve this height, City staff offer many suggestions to landowners when asked for guidance. Those suggestions include:

- Contractual Maintenance – inclusion of the private property into a new or existing contract managed by the resident. Upon request, a list of all contractors currently providing landscape services for the City is provided.
- Mechanical Control – through the use of multiples pieces of maintenance equipment, which can range from push or riding mowers to line trimmers and edgers.
- Chemical Control – through the implementation of a chemical control program many residents are able to maintain ordinance heights with intermittent effort. Residential products are available to the landowner at local hardware stores and through as needed applications, Ordinance can be maintained. Contact information for the AgriLife Extension Office is provided upon request to residents inquiring about chemical selection and application.

Recommendation

While there are approximately 12-15% of properties that are non-compliant, the Right of Way Transition Program continues to be a success. Although intermittent attention or maintenance may be required, it is recommended that we continue with the current process of working with property owners and Code Enforcement to ensure the Ordinance is met. This enables us to focus our public resources on public property while encouraging residents to assist in Keeping Pearland Beautiful.

Public Comments at the April 25th City Council Meeting

Specific to the two address discussed during City Council's April 25th meeting, 1508 Mykawa Road and 2453 Roy Road appear no different than other parcels within the Transition Program. In both cases, adjacent landowners are maintaining their property in accordance with City Ordinance and employing the range of techniques listed above to do so.

In the case of **1508 Mykawa Road**, the property ownership was researched in October 2015. At that time, it was confirmed that ownership and maintenance was the responsibility of the landowner. The Parks Department, as a standard offering throughout the transition period, offered an additional onetime mowing service to help the property owner in October of 2015. That offer was declined. The pictures below capture the property and two nearby properties on Mykawa being maintained by their respective landowner.

1508 Mykawa taken 5/4/16

1917 Mykawa taken 5/3/16

4702 Mykawa taken 5/3/16

In the case of **2453 Roy Road**, the property owner had received its final maintenance visit by the Parks Department prior to February 26, 2015. Request for drainage improvements were made by the property owner near this time and throughout the following months. The Streets and Drainage Division of Public Works generated and completed a work order to swab the flow line of the ditch and ensure proper drainage. The following photos were taken of 2453 Roy Road and adjacent residents employing many of the maintenance options above to ensure compliance with Ordinance.

2453 Roy as of 2/26/15

2453 Roy as of 5/5/16

Continuation of 2453 Roy as of 5/5/16

2430 Roy as of 4/25/16

2423 Roy as of 4/25/16 (next to 2453)